

# Current History

A WORLD AFFAIRS MONTHLY

SEPTEMBER, 1973

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# Current History

SEPTEMBER, 1973

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*In this issue, eight articles examine the economic and political situation inside the People's Republic of China, and evaluate China's foreign policy. Our introductory article traces the history of United States-Chinese relations and points out: "It becomes evident that a new era in the history of East Asia is in the making. The test of the durability of this new era rests with the four powers who are dominant in the region: the United States, China, Japan and the Soviet Union."*

## The United States and the Chinese Revolution: 1949-1972

BY RICHARD W. VAN ALSTYNE

*Distinguished Professor of History, Callison College, University of the Pacific*

A sterile bureaucracy," "the world's worst leadership," "we are allied to a corpse"—these are a sampling of the many warnings the administrations of President Franklin D. Roosevelt and his successor, Harry Truman, were receiving during the years 1942–1948 from their representatives in Nationalist China. The theme was the same, whether it came from officers of the army—Carter Magruder in 1942, Joseph Stilwell in 1943, Albert Wedemeyer in 1947, David Barr in 1948—or from the embassy in Chungking—Clarence Gauss in 1942, Leighton Stuart in 1947, John Paton Davies, Carter Vincent and others of the permanent staff at various times.

"We ought to get out—now," declared Stilwell in 1945. But with an obsessive fear of communism, Wedemeyer in 1947 went to the opposite extreme. In a lengthy report analyzing the corruption and ineptitude of the Nationalist regime, the general, who had been appointed by President Roosevelt as a special envoy, recommended a guardianship for China. The United States would be the guardian, acting behind the facade of the United Nations. American officials would supervise and direct the affairs of the

Nationalist government, cleanse it of its corruption and bring financial order out of chaos. American armed forces would make war on the Chinese Communists, drive them from Manchuria (which was already in their power), and force them into submission. Almost as unrealistic as Chiang Kai-shek, Wedemeyer dwelt in the Chinese "world of make-believe," and the generalissimo, supposedly the chief beneficiary of Wedemeyer's elaborate plans, expostulated against them, charging that they would make China an outright United States dependency. It was an understatement to say, as Chiang's Prime Minister did say in Shanghai, that "there were many things which Wedemeyer did not know."<sup>1</sup>

Chiang's "world of make-believe" came from the tradition of "China's independence and administrative and territorial integrity." The tradition was a half-truth, a historical legend rooted in the nineteenth century; but Sun Yat-sen, Chiang's mentor, harbored no illusions about it. In the forefront of the founders of the Kuomintang (Chinese Nationalists), Sun had set the stage for the ultimate overthrow of the foreign powers. He was impatient with the legend.

Whose semi-colony is China? [he wanted to know.] China is the colony of every nation that has made treaties with her, and the treaty-making nations are her masters. China is not the colony of one nation but of all, and we are not the slaves of one country but of all.<sup>2</sup>

<sup>1</sup> The quotations in this paragraph are from *United States Relations with China* (Department of State Publication 3573), commonly known as *The White Paper* (1949), and from *Papers Relating to the Foreign Relations of the United States, China 1942*.

<sup>2</sup> Richard W. Van Alstyne, *The United States and East Asia* (London: Thames & Hudson; New York: W. W. Norton, 1973), p. 116.

1943, but civil war and the Japanese invasion had brought about its demise some years before that. In its place had arisen the new but unacknowledged status of Nationalist China as a dependency of the United States. Massive aid against the Japanese but actually and more realistically against Chiang's enemies, the Chinese Communists under Mao Tse-tung, had created this situation during the war. Repeated efforts to shore up the Kuomintang proved in vain, however; and with the departure in January, 1947, of the last American emissary, General George C. Marshall, after a whole year of fruitless negotiation, the Truman administration had no recourse but to admit failure. This it did in the summer of 1949, with the publication of the "White Paper," a stout volume of 1,054 pages.

The White Paper presented a convincing case for the long chain of American failures in China, and to those who studied it carefully it pointed to the wisdom of a hands-off policy for the future. But, unfortunately, it was fated to be chalked up as another failure. Too bulky a document to be read and digested by the general public, the newspapers and magazines (*Current History* being a rare exception) gave it scant attention, and it became an easy target for members of the China Lobby—zealots for the cause of Chiang Kai-shek who, like General Wedemeyer, were militant crusaders against communism.

Perhaps without thinking of all the implications, President Truman had himself sounded the note of this crusade in his celebrated message of 1947 demanding aid for Greece and Turkey against the Soviet Union. It was of the essence of the "Truman Doctrine" that the United States "must assist free peoples to work out their own destinies in their own way"; and the partisans of Chiang Kai-shek had little trouble in identifying the generalissimo with this cause. The documents in the White Paper were enough to disabuse the reader of such a notion, but they were smothered under a hostile attack. Moreover, the American secretary of state who sponsored the volume, Dean Acheson, spoiled his own case by asserting in the preface that the Chinese Communists were mere tools of the Soviet Union and that therefore intervention against them might some day be necessary. So, ironically, the secretary of state who tried to rescue American diplomacy from the perils of the Chinese civil war only muddied the waters. And if he did not actually give the crusade against communism a forward push (as indeed his preface seemed to do), he certainly did nothing to slow it down.

Thus the White Paper was self-defeating. The Truman administration lacked the courage to con-

fess all the follies of the past; Congress, of course, had already thwarted it in the previous year by voting more millions of dollars for Chiang Kai-shek. So there seemed no choice but to continue the deception and to hope that China would eventually "throw off the foreign yoke." While Dean Acheson was writing these pious words, Chiang was a beaten man, a refugee in Canton whom the United States was about to transport to the island of Taiwan.

In a recent article in *Foreign Affairs*, Barbara Tuchman documents the fact that in January, 1945, Mao Tse-tung and Chou En-lai urged American officials in Chungking to take them personally to Washington to present their case directly to the President. They wanted to demonstrate that they were the leaders of a successful Chinese revolution and not the tools of a foreign power. Stilwell knew this to be the case, and so did the staff members of the embassy in Chungking. But Wedemeyer and the equally prejudiced Patrick Hurley, a general with a long record of partisan politics in America, were in control, and they squelched the proposal.

Twenty-seven years, two wars and x million lives later, after immeasurable harm wrought by the mutual suspicion and phobia of two great powers not on speaking terms [writes Mrs. Tuchman], an American President, reversing the unmade journey of 1945, has traveled to Peking to treat with the same two Chinese leaders. Might the interim have been otherwise?<sup>3</sup>

High tragedy is here, as well as supreme irony, and Mrs. Tuchman follows with a fine analysis of all the complications. This is no place for even a summary of her exposition, much less for a deeper probe of the matter. Save for a handful of career officers with experience in China, the American attitude toward that country remained definable only by the vague creed recited innumerable times since John Hay. In 1949, Dean Acheson once more gave it lip service:

Our policy will continue to be based upon . . . our friendship for China, and our traditional support for the Open Door and for China's independence and administrative and territorial integrity.

But this was not policy to which Acheson proposed to return; it was not a course for proposed action. It was only an abstraction which, like the dreams of Chiang Kai-shek, belonged to the world of make-believe. Roosevelt, a superficial man with scarcely a veneer of knowledge about China, erected a policy on the phantom foundations of the abstraction. China, still in leading strings to the United States, would be pushed into the ranks of the great powers. Chiang Kai-shek was Roosevelt's "man," although Roosevelt's vanity would have been pricked had he known how skillfully the generalissimo was making use of him.

<sup>3</sup> Barbara W. Tuchman, "If Mao Had Come to Washington: An Essay in Alternatives," *Foreign Affairs*, vol. 51 (October, 1972), pp. 44-64.



Unconcerned with the appraisals of the field service, Roosevelt had dispatched Hurley in the belief that the Soviet Union, the Chinese Communists and Chiang could be induced to team together, recognizing Chiang as the acknowledged leader or policeman of East Asia. The President had behaved superciliously toward Clarence Gauss, Hurley's predecessor, who had had a long record of experience in China, but he handed Hurley a blank check. In Chungking, Hurley awoke from this dream and discovered how superior in training and intellect the foreign service officers were to him. Back in Washington, Hurley turned on them, deliberately airing his grievances to the newspapers and making scapegoats of the career men. "A weak American Foreign Service" was in league with the Communists, and together they had stabbed him in the back.

### THE CHINA LOBBY

Hurley's betrayal did lasting damage—to the career men who were demoted, transferred to lesser posts away from China and, in some cases, even discharged; to the state department for the charge of being tainted with communism; and to the Truman administration for putting a weapon into the hands of the China Lobby and its natural allies in the Republican party. Not a lobby in the ordinary sense of a pressure group organized to influence legislation, the China Lobby (for lack of a more accurate designation) was made up of a number of disparate groups and individuals committed to the cause of Chiang Kai-shek and a so-called "Free China." Implacable enmity toward the Chinese Communists was, of course, the opposite side of the coin.

A book on this lobby and its influence in American politics was said to contain documented details; but unfortunately this book, scheduled for publication in 1960, was withdrawn by the publisher, the Macmillan Company, under threat of litigation by the embassy of "Free China." Henry R. Luce zealously supported the cause in the pages of his magazine empire, *Time-Life-Fortune*, and, with Alfred Kohlberg, a New York importer, and probably others kept the organization supplied with funds. Subsequently, the China Lobby merged into the Committee of One Million, which in 1954 set out to obtain a million signatures and bipartisan support in Congress. In a little more than ten years, when the Vietnam war was well under way, the committee could actually boast of majority support in Congress, and it announced its intention of reaching down into the grass roots to play on popular fear of communism. "Red China—Outlaw" was

its watchword; and by means of pamphlets, paid advertisements, circular letters and documentary films it sought to check any deviation from the policy of no compromise with Communist China.<sup>4</sup>

It is no exaggeration to say that, during the two decades from 1950 to 1970, the specter of "Red China" dominated the ideological warfare against communism. Taking their cue from Patrick Hurley's accusations against the foreign service, Republican politicians pressed the charge that the Democrats had "lost" China; in the ensuing presidential campaign, the Truman administration was forced to the defensive. This accounts in part for the failure of the White Paper. The accusations also opened the door for the witch hunt started by Wisconsin Senator Joseph McCarthy early in 1950. "Communism in government" was McCarthy's war cry, and the state department was an easy target. After the witch hunt was over and McCarthy had been discredited, John Foster Dulles, President Dwight D. Eisenhower's secretary of state, continued to betray the professionals to the politicians. Ideology in its rawest form took the place of the professional intelligence which the career service was trained to give. As late as 1957, for instance, Dulles removed Charles R. Bohlen, one of the best informed experts on the Soviet Union, from his post in Moscow, and put him in Manila, where his services counted for naught.

### THE KOREAN WAR

Concurrent with McCarthyism was the Korean war, which broke out in June, 1950. Less than a year earlier, the joint chiefs of staff in Washington had officially decided that Korea was not worth a war and, with General Douglas MacArthur in Tokyo in agreement, they had completed the withdrawal of the 45,000 troops occupying South Korea. The evacuation tempted Kim Il Sung, the North Korean leader, to make war on his enemy, Syngman Rhee, and unify the country as a Communist state sponsored by the U.S.S.R. The sudden invasion brought a sharp reversal in American policy: MacArthur led an army to the rescue of South Korea, and then proceeded to do in reverse what Kim had done from the north. Pushing the North Koreans beyond the 38th parallel, the artificial line separating the two de facto republics, MacArthur advanced toward the Yalu river, proclaiming the unification of Korea under American auspices as he marched.

Historically, Korea was a weak buffer between China and Japan, dominated by one or the other. Whoever controlled Korea held "a dagger" at the breast of the other. In Chinese eyes, the United States held the dagger, and therefore was a stand-in for Japan as China's mortal enemy. A warning to this effect emanated from the Indian ambassador in

<sup>4</sup> See A. T. Steele, *The American People and China* (New York: McGraw Hill, 1966), pp. 112-228; John F. Melby, "The Origin of the Cold War in China," *Pacific Affairs*, vol. XLI (Spring, 1968), pp. 19-33.

Peking, but MacArthur nevertheless kept on advancing. The Chinese waited until he got near the Yalu; then, suddenly, employing tactics they had used on Chiang Kai-shek and using guerrillas in MacArthur's rear, they crossed the river in force, defeated the weak South Korean army, and forced two American armies into retreat. MacArthur retrieved this disaster, but essentially the Chinese had cheated him of his expected triumph. MacArthur's announced ambition to advance again to the Yalu and punish the enemy aroused fears and sharp protests at home; a military stalemate ensued; and a truce in 1953 restored the status quo. But although the American government then tried to reduce its armed forces, leaving the South Koreans to defend themselves, the attempt proved impossible, and the permanent American garrison turned out to be substantially larger than the prewar occupation force.

The Korean War brought Chiang Kai-shek again into the limelight. Was "Free China" to be defended, and was Chiang to be "unleashed" for an attack on the mainland? The response to the first question came strongly in the affirmative in 1950 with the placing of the United States Seventh Fleet in position; reaction to the second query was a running argument which continued well into the decade. Peking, declared Secretary of State Dean Rusk in 1951, was not the government of China. It was not Chinese. The island of Taiwan, home of the Nationalist remnant, was China.

Assertions like this continued to come out of Washington during the next score of years. There was no China without Chiang Kai-shek. He was the *legitimate* ruler of China, so said Secretary of State John Foster Dulles in 1960. In power for more than ten years and growing stronger, the Communist government on the mainland was nevertheless but a passing phase. The illegitimate child of a conspiracy, "Red China" could not long survive. Dulles had made a treaty guaranteeing protection to Taiwan against either armed attack or Communist subversive activities.

### SINO-AMERICAN RIVALRY

China and the United States, it was now apparent, were the principal antagonists in East Asia. Their success in North Korea had given the Chinese primacy over the Russians; henceforth Chou En-lai, their brilliant foreign minister, skillfully maneuvered to raise the Peking regime in the esteem of other Asian nations. He also, it should be said, gained a reputation in West Europe, notably in Great Britain, which had been among the first nations to grant the People's Re-

public official recognition. Eventually, China would resume the historic position held by the Middle Kingdom when all the lesser nations of East Asia paid it tribute. Chou aimed at the elimination of all foreign bases and armed forces in Asia, recovery of Taiwan for China, unification of Korea and of Vietnam under Chinese auspices, and the formation of a league of other Asian nations under Chinese protection.

Dulles, Chou's opposite number, aimed to thwart all these objectives and, like MacArthur before him, displayed the temperament of a crusader against evil. "It is one thing . . . to recognize evil as a fact," he told a doubting Europe in 1954. "It is another thing to take evil to one's breast and call it good." And when, the same year, he came face to face with Chou, he carried his moral strictures so far as to refuse Chou's outstretched hand, a rebuff that the Chinese foreign minister is said never to have forgiven. During his career as secretary of state, Dulles traveled tirelessly around the world, leaving no stone unturned to build a grand alliance. His one notable success lay in keeping alive the fiction that "Free China" was the only China, a client state to the United States and as such still a permanent member of the United Nations Security Council. "Red China," Dean Acheson had declared during the height of the Korean War, must not be permitted to "shoot its way" into the United Nations; in 1958, when his power was beginning to slip, Dulles asserted that Peking's admission "would vitiate, if not destroy" the United Nation "as an instrument for the maintenance of international peace."<sup>5</sup>

"Unleashing" Chiang Kai-shek and undertaking "massive retaliation," meaning an atomic attack on China, were phrases coined during the Korean War to give a ring to the crusade. The Chinese gave the phrases a test from time to time, notably in 1954 and again in 1958, by bombarding Quemoy and other islands close to the mainland still held by the Nationalists. Possession of the islands enabled Chiang Kai-shek to make raids on his enemies, provoking them into retaliation. Chou matched Dulles in bombastic language about "liberating Taiwan and liquidating the traitorous Chiang Kai-shek group," but made no attempt to occupy even the off-shore islands. On its part, the United States kept Chiang supplied with arms and ammunition, but otherwise held him on leash. So the two sides avoided a test of strength while, in the meantime, Soviet success with atomic fissure, followed by Chinese success in 1964, put a period to the reckless talk of a crusade against communism.

Today it hardly needs pointing out that American officials—Truman, Eisenhower and their subordinates in the government—made no effort to understand the Chinese revolution and the course it was taking.

<sup>5</sup> Council on Foreign Relations, *The United States in World Affairs*, 1954 vol., p. 212, and 1958 vol., pp. 316, 339.

They thought and acted in terms of black and white, and concluded that, being Communist and therefore evil, the revolution would either vanish of its own accord or would meet with indefinite resistance by the United States, which embodied the forces of good, meaning "democracy and free enterprise." They forgot that the Russian revolution had survived the same type of intransigence and that the United States was alone among the nations in fancying that the world could be divided between the good and the bad. There was a temporary break in this attitude in 1963, when an American assistant secretary of state was encouraged to say out loud that he thought communism had come to stay. But there was an almost immediate relapse to the position that China, not America, would have to change.

Meanwhile the revolution in China continued on its tumultuous way. Over a period of 40 years, writes John K. Fairbank, the distinguished sinologist who visited the country in 1972, the change in the condition of the peasant masses was miraculous. It was "a revolution probably on the largest scale of all time." The huge size of the country, culturally homogeneous for 3,000 years but decentralized and often anarchic politically, means that the Chinese revolution cannot be compared to political upheavals in the West. For the previous two centuries, Americans and Europeans had encroached upon China, trying in vain to impose their religion and their politico-economic systems; and in the long history of Chinese xenophobia and resistance to foreigners, the Communists were the most unyielding and were, in the end, triumphant. In getting rid of the Nationalists, they also rid the country of foreigners; in siding with the lost cause and in deliberately refusing to recognize the sweeping nature of the revolution, the United States insured its own defeat.

Of the several foreign powers that had taken advantage of Chinese weakness in the past, the Americans alone made a bogey out of communism. First, they treated the Chinese Communists as mere cat's-paws of Russia and, to be sure, the Sino-Soviet alliance of 1950 lent color to this view. But soon fric-

tion between Peking and Moscow broke into the open, and the Soviet Union resumed its traditional role as China's antagonist to the north. Students like Fairbank look at the Chinese revolution in its historical context. Chinese communism, though taking its texts from Marx and Lenin, has its own native roots: fighting the old ruling scholar-gentry class and the foreign imperialists. In the manner of the former ruling class, the Chinese Nationalists both cajoled and submitted to the foreigners, who (in their case) were the Americans. As Fairbank puts it: "The Marxist-Leninist analysis of the twin evils of feudalism and imperialism supporting each other makes excellent sense to any Chinese patriot." American officialdom preferred the ideological to the historical stance, however; forbade even responsible correspondents to visit China; and, risking the perils of the war in Vietnam, continued drawing the line against compromise with the Chinese revolutionaries.<sup>6</sup>

This policy of trying to keep China in permanent quarantine received a bad blow, however, in 1964. Turning a deaf ear to Secretary of State Dean Rusk's pleadings, France under President Charles de Gaulle recognized China and broke off with Chiang Kai-shek. As one of the foremost spokesmen of the John Kennedy-Lyndon Johnson administrations, Rusk fully measured up to the anti-Communist ardor of John Foster Dulles. Rusk had also rebuffed an attempt by de Gaulle to end the war in Vietnam. The French initiative, however, showed that the Americans could not hold the line against China. France carried weight with the peoples of Africa and Asia; more countries followed suit in opening official relations

(Continued on page 133)

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Richard W. Van Alstyne, a contributing editor of *Current History*, has contributed numerous articles to this magazine in the past. His article, "The White Paper and China," in the October, 1949, issue of *Current History* and his most recent book, *The United States and East Asia* (London and New York: W. W. Norton, 1973), should be read as background for the present article. Also germane to the subject is his *The Rising American Empire* (Oxford, England: Oxford University Press, 1960), reissued in paperback (Chicago, Quadrangle Books, 1965) now in its sixth printing. In addition he is the author of the following books: *American Diplomacy in Action* (Gloucester, Mass.: Peter Smith, reissued, 1968), *Empire and Independence: The International History of the American Revolution* (New York: John W. Wiley, 1965), *Genesis of American Nationalism* (Waltham, Mass: Blaisdell-Ginn, 1970). He gave the Commonwealth Fund Lectures in American History at the University of London in 1956, and was Senior Fulbright Fellow at the same institution in 1960-1961.

<sup>6</sup> For background on the Chinese revolution, for which there is no space in this article, see the following: John K. Fairbank, "The New China and the American Connection," *Foreign Affairs*, vol. 51 (October, 1972), pp. 31-43; Fairbank, "The State that Mao Built," *World Politics*, vol. XIX (July, 1967), pp. 664-677; David P. Mazingo, "Containment in Asia Reconsidered," *World Politics*, vol. XIX (April, 1967), pp. 361-377; Thomas W. Robinson, "The View from Peking: China's Policies towards the United States, the Soviet Union and Japan," *Pacific Affairs*, vol. 45 (Fall, 1972), pp. 333-355; Tetsuya Kataoka, "Communist Power in a War of National Liberation: the Case of China," *World Politics*, vol. XXIV (April, 1972), pp. 410-427; C. P. Fitzgerald, "Reflections on the Cultural Revolution in China," *Pacific Affairs*, vol. XLI (Spring, 1968), pp. 51-59. See also Fairbank, *The United States and China*, third edition (Cambridge: Harvard University Press, 1972), pp. 324-428.

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*"Of the two Communist antagonists, the Soviet Union continues to achieve the greater successes. This is natural, since it commands . . . not only . . . great military power . . . but the vast supplies of energy materials and industrial raw materials that give it major importance for industrialized countries. Thus in economics, its chosen field of competition, the U.S.S.R. occupies a notably more favorable position than China.*

## Maoism versus Khrushchevism: Ten Years

BY O. EDMUND CLUBB

*Author of China and Russia: The Great Game and Twentieth Century China*

**I**N THE CUSTOMARY joint editorial carried on New Year's Day in 1973 in Peking by the *People's Daily*, *Red Flag*, and *Liberation Army Daily*, it was proclaimed that:

The present international situation is excellent. . . . The small and medium-sized countries are uniting on a broader scale in opposition to the hegemonism and power politics of the two superpowers, the United States and the Soviet Union.<sup>1</sup>

The statement implicitly confirmed that Peking was maintaining, as it had since 1965, the grand strategy of opposing both superpowers simultaneously; it also displayed China's underlying concern that other states should entertain the same urge.

Peking's public rationale for its strategy has varied over the years, but the rationalizations are of less importance than the underlying fact that, under the leadership of the Chinese Communist party (CCP), the Chinese People's Republic (CPR) has viewed itself as engaged in a struggle for its national renaissance in Asia and for world revolutionary leadership. Peking consequently views competing powers as antagonists over the long term. It is in the light of that basic circumstance that Sino-Soviet relations are to be viewed and analyzed.

The Sino-Soviet alliance of 1950 worked reasonably well for a decade, with China receiving from the Soviet Union political collaboration and economic aid that she was not in a position to obtain elsewhere. But in 1960, when China's demands for increased aid and a change of Communist world strategy became extravagant, Moscow suspended the aid program en-

tirely and the relationship entered upon stormy days.

Ten years have passed since delegations from the CCP and the Communist party of the Soviet Union (CPSU) met in Moscow, in July, 1963, in an effort to resolve outstanding differences—nominally ideological. The effort failed; the only success achieved in the Moscow theater of activity at that time was the attainment of an agreement between American, British and Soviet *governmental* delegations for a limited nuclear test-ban treaty—roundly castigated by Peking. Peking subsequently condemned the Soviet leadership for a "modern revisionism" that denied the Leninist "inevitability of war," opted for the doctrine of "self-reliance" for economic development, and set out to wrest control of the world Communist movement from a Moscow deemed guilty of Marxist-Leninist heresy.

### IDEOLOGICAL CONFLICT

The ideological elements are worthy of passing attention. Official Maoist doctrine proclaims the inevitability of war. Mao Tse-tung has granted that war will finally be eliminated in the course of human progress; "But there is only one way to eliminate it and that is to oppose war with war." The end of the process is not yet with us:

When human society advances to the point where classes and states are eliminated, there will be no more wars, counter-revolutionary or revolutionary, unjust or just; that will be the era of perpetual peace for mankind.<sup>2</sup>

The Maoist doctrine is not a thing of the past; it belongs to the present, and the future, as far as Peking is concerned. Thus in the polemical *Red Flag* piece, "Long Live Leninism!" by which in April, 1960, the Chinese first openly challenged the Soviet position, the editorial writers contended that "we must thor-

<sup>1</sup> *Peking Review*, January 5, 1973, p. 11.

<sup>2</sup> "Problems of Strategy in China's Revolutionary War, December, 1936, *Selected Military Writings of Mao Tse-tung* (Peking: Foreign Languages Press, 1963), pp. 78, 79.



oughly shatter the falsehoods of the modern revisionists and uphold the Marxist-Leninist viewpoints on the questions of violence, war and peaceful coexistence.”<sup>3</sup> Modern revisionists, the editors stated:

hold that peaceful coexistence of countries with differing social systems means that capitalism can peacefully grow into socialism, that the proletariat in countries ruled by the bourgeoisie can renounce class struggle and enter into “peaceful co-operation” with the bourgeoisie and the imperialists, and that the proletariat and all the exploited classes should forget about the fact that they are living in a class society, and so on.<sup>4</sup>

The essence of Peking’s grand strategy cannot be discovered in its polemics with the Soviet Union alone—although some of that material is illuminating—but can be pieced together from a number of components. By reason of experience and philosophy, China’s Chairman Mao Tse-tung has been consistently committed to following the basic concepts set forth in his May, 1938, exposition, “On Protracted War.” Designed at the time for application in the war against Japan, the Maoist doctrine has also governed China’s operations against the “principal enemy”—an identity that depends upon an arbitrary definition of the moment. Mao saw the war as a progression through stages—“China moving from inferiority to parity and then to superiority, Japan moving from superiority to parity and then to inferiority. . . .”<sup>5</sup>

The time factor is of prime importance; the process of achieving victory over the stronger foe is considered to be laborious and complicated. Always in the back of any Chinese strategist’s mind is the axiom of the ancient politico-military strategist, Sun Tzu: “All warfare is based on deception.” And there is Sun Tzu’s further admonition: “What is of supreme importance in war is to attack the enemy’s strategy; next best is to disrupt his alliances.”<sup>6</sup> In sum, *divide et impera*—or, as the Chinese put it, “use barbarians to control barbarians.”

### “UNITED FRONT” STRATEGY

In line with the doctrines of both Sun Tzu and Lenin, Mao has proposed that China shall make use of the “united front” stratagem and employ secondary enemies for action against the principal enemy. In

January, 1964, Peking proclaimed the “doctrine of the intermediate zone,” by virtue of which the United States was explicitly designated as the major enemy. Against the United States, Peking proposed to mobilize, under its revolutionary leadership, the underdeveloped nations of the world and the second sector of the intermediate zone—the industrialized states that were America’s own allies, but were allegedly oppressed by it. This strategic concept was given further definition in September, 1965, in Chinese Defense Minister Lin Piao’s treatment of “The International Significance of Comrade Mao Tse-tung’s Theory of People’s War.” Holding that “the contradiction between the revolutionary peoples of Asia, Africa, and Latin America and the imperialists headed by the United States is the principal contradiction in the contemporary world,” he proposed (always in Mao’s name) that the world countryside (comprising the three first-named continents) should surround the world town (comprising North America and West Europe). A people’s war should be waged against “United States imperialism and its lackeys,” and the socialist countries “should regard it as their internationalist duty to support the people’s revolutionary struggles in Asia, Africa, and Latin America.”<sup>7</sup> The united front would be worldwide.

If the Lin Piao document did not specifically place the U.S.S.R. in the “enemy” camp, it took the occasion to castigate the “Khrushchev revisionists” for having “cast the fundamental tenets of Marxism-Leninism to the four winds.” And the invitation to wage a *people’s* war against “United States imperialism” was discovered to have a specific interpretation for actual practice. In 1965, Peking rejected the proposal that China should join with the rest of the socialist camp in presenting a united front against the United States’ extension of the Vietnam War to North Vietnam. China had made a strategic decision to oppose both superpowers simultaneously. As would become entirely clear in the course of the Great Proletarian Cultural Revolution, then impending, Peking planned to mount a world revolutionary movement in a protracted struggle against the United States *and* the Soviet Union. The Chinese leadership would in due course stigmatize the Soviet Union as “socialist imperialist,” and charge Soviet “collusion” with the United States to establish world hegemony. But the hopes of the Chinese ultra-leftists were disappointed.

### SOVIET STRATEGY

The Soviet strategy is antipodal. Peking was correct in describing that strategy as being based on the concept of peaceful coexistence, but wrong in attributing Moscow’s “revisionism” primarily to Soviet Premier Nikita S. Khrushchev. In his essay, “Economic Problems of Socialism in the U.S.S.R.,” published on

<sup>3</sup> John Gittings, *Survey of the Sino-Soviet Dispute: a Commentary and Extracts from the Recent Polemics 1963-1967* (London, New York, Toronto: Oxford University Press, 1968), p. 341.

<sup>4</sup> *Ibid.*, p. 342.

<sup>5</sup> “On Protracted War,” *Selected Military Writings of Mao Tse-tung* (Peking: Foreign Languages Press, 1963), p. 217.

<sup>6</sup> Sun Tzu, *The Art of War*, translated and with an introduction by Samuel B. Griffith with a foreword by B. H. Liddell Hart (Oxford: Clarendon Press, 1963), pp. 66, 77-78.

<sup>7</sup> For text, see Franz Schurmann and Orville Schell, *The China Reader*, Vol. III, *Communist China: Revolutionary Reconstruction and International Confrontation 1949 to the Present* (New York: Random House, 1967), pp. 347-59.

the eve of the nineteenth CPSU Congress of 1952, Stalin pointed out that the laws of political economy "are not ageless . . . they, or at least most of them, operate for a definite historical period, after which they give way to new laws." They "lose their validity owing to new economic conditions, disappear from the scene in order to make way for new laws, not created by man's will but arising out of new economic conditions."<sup>8</sup> This, literally, was the essence of revisionism. It was Stalin's further argument that the single, universal world market had disintegrated as a consequence of World War II, and that there were now two world markets, counterposed to one another. He held that "the sphere of exploitation of world resources by the major capitalist countries," and the world capitalist market, were both destined to contract; and he foresaw that West Germany and Japan would rise again, "and live their own independent lives."<sup>9</sup>

At the twentieth CPSU Congress in 1956, Khrushchev continued the line and elaborated upon the peaceful coexistence theme. Stalin had said in 1952 that "the inevitability of wars among the capitalist countries remains" (emphasis supplied). Khrushchev acknowledged the existence of the Marxist-Leninist precept that wars are inevitable as long as imperialism exists, but said that times had changed since the doctrine evolved: "War is not a fatal inevitability." As for the transition to socialism, it was probable that the forms of transition would become more varied; "moreover, achieving these forms need not be associated with civil war under all circumstances. . . . And it is not true that we regard violence and civil war as the only way to remake society." He set forth, among the party's foreign-policy tasks, the pursuit of

a vigorous policy of further improving relations with the United States of America, Britain, France, Western Germany, Japan, Italy, Turkey, Iran, Pakistan and other countries with a view to strengthening mutual confidence, extensively developing trade, and expanding contacts and cooperation in the sphere of culture and science.<sup>10</sup>

Addressing the twenty-second CPSU Congress in October, 1961, after the ideological split with the CCP, Khrushchev continued to develop the theme of peaceful competition between the socialist and capitalist systems, holding that it was essential, in order to

prevent "a global war of annihilation," to seek the normalization of relations between states—and he referred specifically to the U.S.S.R.'s relations with the United States—regardless of their different social systems.<sup>11</sup> The Soviet leadership, confronted by the Chinese challenge, was holding to its revised strategy. Thus it was that the 1963 meeting of party delegations failed to accomplish a healing. And although Khrushchev was forced to leave the political scene a little over a year later, his successors to power followed essentially the same strategy: as the Chinese observed bitterly, Moscow's policy line was simply "Khrushchevism without Khrushchev." The energetic campaign of Party Chairman Leonid Brezhnev in 1973 is only a projection of this strategy.

To maneuver one antagonist against another, in 1971–1972 Peking chose to play the American option for what it might be worth. Japan's increased independence in the realm of foreign affairs offered Peking an opportunity to attempt the further disruption of the American-Japanese alliance. And the 1972 demarche of United States President Richard Nixon vis-à-vis Peking appeared to offer still another opportunity—this time, to manipulate the United States against the Soviet Union.

Peking let it be widely known that its policy was governed by the principle of peaceful coexistence. But the 1973 New Year's message suggested that it was only tactics and not strategic objectives that have changed; tactical accommodation with the United States did not mean a discarding of the governing dual-adversary concept. In United Nations forums, in particular, the Chinese made their position clear. The exposition of CPR delegate An Chih-yuan before the ECAFE (the Economic Commission for Asia and the Far East) meeting in Tokyo on April 12 exemplified the line. He charged that the superpowers were continuing their "acts of aggression and interference" in the region of Asia and the Far East. He made a direct attack on the Soviet Union, unnamed but easily identified, as a superpower that had been "stepping up its expansion in this region in an attempt to seize hegemony," and had been peddling a plan for a "so-called 'Asian security system.'" An explained:

Its immediate aim in energetically advocating "Asia collective security" is to control and divide Asian countries and incorporate them gradually in its sphere of influence. Such a "system" can only bring new disaster to the people of Asia.

But he also set forth the CPR's overall strategic position.

To us, political independence and economic independence are inseparable. . . . The imperialists, and particularly the superpowers, are using the signboard of "aid" and "joint exploitation" to rob the developing countries of their natural resources, control their economic lifelines, reduce them to economic subordination and dependence

<sup>8</sup> Leo Gruliow, ed., *Current Soviet Policies, The Documentary Record of the 19th Communist Party Congress and the Reorganization after Stalin's Death* (New York: Praeger, 1953), p. 2.

<sup>9</sup> *Ibid.*, pp. 7, 8.

<sup>10</sup> Leo Gruliow, ed., *Current Soviet Policies-II: The Documentary Record of the 20th Communist Party Congress and Its Aftermath* (New York: Praeger, 1957), pp. 37, 38.

<sup>11</sup> Alexander Dallin, ed., *Diversity in International Communism, A Documentary Record, 1961–1963* (New York: Columbia University Press, 1963), pp. 4, 19.

and further place them under their political control. The imperialists have, moreover, monopolized international markets and subjected the developing countries in this region to plunder and exploitation.<sup>12</sup>

And a contemporary pamphlet circulating in China under the title *On Studying Some World History*, said by the reporter to have been "evidently inspired" by Premier Chou En-lai, suggests what the CPR should do in the present circumstances. Holding that rivalry between the United States and the Soviet Union "provides favorable conditions for the victory of the revolutionary people," the writers (writing under pseudonyms) proposed that China should take advantage of the differences between the two powers.<sup>13</sup> The game plan was still to pit one superpower against the other.

Given her new diplomatic stance, China achieved some remarkable advances in the international sphere in 1971-1972; but not all developments have been in her favor. The Nixon visit to Peking was followed by the visit of Japanese Premier Kakuei Tanaka and the exchange of Chinese and Japanese ambassadors; but Tokyo subsequently recognized the Mongolian People's Republic (regarded as *terra irredenta* by Peking)—and now the United States is reported to be considering a like move.<sup>14</sup> Peking and Washington arranged for the exchange of liaison missions, and American business found reason to be cheered by several trade opportunities that developed in 1972; but in 1973 it was found that prices had been increased across the board for Chinese goods offered at the Canton trade fair—and the American dollar had experienced a second devaluation not long before. The euphoric mood that bloomed in 1972 with respect to the prospects of Sino-American commerce has to some degree evaporated. The discovery that has been made periodically over the past century is being made again: "for all of its vast population and obvious need, China remains a market of limited potential."<sup>15</sup> Barring vast American credits, the volume of exchanges between the United States and China promises to be modest for years to come.

<sup>12</sup> *Peking Review*, April 20, 1973, pp. 13-15.

<sup>13</sup> Stanley Karnow, "Playing the Barbarians Off against Each Other—China Journal II," *The New Republic*, June 23, 1973, pp. 18-21. See also Boris Krymov, "Missiya zagryazneniya" (Smear Mission), *Literaturnaya Gazeta*, June 13, 1973, for an analysis of the political motivations underlying CCP Central Committee member Liao Ch'eng-chih's recent visit to Japan, and a report of Liao's interview with a correspondent of the Italian newspaper *La Stampa*. Asked by the *Stampa* correspondent what was going on in the world, Liao replied: "Barbarians are warring against barbarians."

<sup>14</sup> *The New York Times*, June 6, 1973.

<sup>15</sup> "China's Economic 'Victories' Pose Questions," Part II, Section 3, "Economic Survey of Asia and the Pacific," *The New York Times*, January 21, 1973, p. 45.

<sup>16</sup> For a general survey of the project, see Leo Gruliov, "Instant City—Soviet Style," *The Christian Science Monitor*, June 20, 1973.

The Sino-American détente remains just that, a détente. For if the present is always the year of Asia for the Chinese, the United States has responsibilities and cares on other continents; and for the United States government 1973 promises to be, in at least the critical economic sense, the advertised "year of Europe." And if American attention is focussed primarily on Europe, the United States' potential usefulness for China will be correspondingly reduced. Peking's resort to the American option does not promise rich fruits within the visible future.

### SOVIET SUCCESSES

Of the two Communist antagonists, the Soviet Union continues to achieve the greater successes. This is natural, since it commands as bargaining counters not only great military power that demands weighty consideration in world political deliberations, but the vast supplies of energy materials and industrial raw materials that give it major importance for industrialized countries. Thus in economics, its chosen field of competition, the U.S.S.R. occupies a notably more favorable position than China.

Soviet trade is still expanding; it increased by 10 per cent in 1972 (partly because of heavy grain imports; although China also imports grain). China's trade with the Soviet Union remains minor, but Soviet two-way trade with Japan amounts to over \$1 billion a year and is still growing. In October, 1971, the U.S.S.R. and France signed a 10-year economic agreement projecting an increase of Franco-Soviet trade through participation of the two countries in each other's industry. West Germany's trade with the U.S.S.R. increased by 27.6 per cent in 1972 to a total of \$1.2 billion; and in May, 1973, Bonn and Moscow agreed on a 10-year program for economic, industrial and technological cooperation, with the Soviet Union to supply petroleum, natural gas and raw materials in exchange for industrial plants and technical aid from West Germany.

American business in 1972 sold China some grain and 10 Boeing 707's. But American enterprise is participating in a much more substantial way in construction of the \$2 billion heavy-truck plant on the Kama River in the Soviet Union;<sup>16</sup> and in April, (Continued on page 135)

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O. Edmund Clubb spent 18 years in China with the United States Foreign Service. He has been Consul General in Vladivostok, the U.S.S.R.; Mukden and Changchun, Manchuria; and in Peking, China. From 1950 to 1952, he was director of Chinese affairs in the Department of State. Mr. Clubb is the author of *China and Russia: The "Great Game"* (New York: Columbia University Press, 1971), and *Twentieth Century China* (New York: Columbia University Press, revised edition, 1972).

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*"... The political infighting in Japanese politics over the China issue and the rapt attention given it by the Japanese press gave an exaggerated importance to the act of recognition of Peking. . . . The test of whether Sino-Japanese relations will lead toward greater cooperation or toward greater rivalry still lies ahead."*

## Sino-Japanese Relations: A New Era?

BY RALPH N. CLOUGH

*Former Director of the Office of Chinese Affairs, Department of State*

The termination of the state of war and the normalization of relations between China and Japan—the realization of such wishes of the two peoples will open a new page in the annals of relations between the two countries.

Sino-Japanese Communiqué,  
Peking, September 29, 1972

ON SEPTEMBER 29, 1972, in Peking, after four days of formal banquets, exchanges of toasts in *mao tai*, and hard negotiating on the precise terms of their agreement, the leaders of China and Japan announced an accord reordering the relationship between the two nations. Chinese Premier Chou En-lai declared that the accord would "open a new chapter" in Sino-Japanese relations, and the Japanese press hailed it enthusiastically as the beginning of a "new age" or a "new century" in Asia. The implication was that the relationship between Peking and Tokyo would be transformed once it had been "normalized." Will there, in fact, be a radical transformation of that relationship and, if so, what form is it likely to take?

Although the Chou-Tanaka communiqué refers to the "long history of traditional friendship" between China and Japan, for the half century culminating in World War II Sino-Japanese relations were marked more by hostility than by friendship. Japan's brutal invasion of China created a deep and lasting Chinese mistrust of Japan. Hence it is not surprising that one of the first diplomatic acts of the Peoples' Republic of China after its establishment in October, 1949, was to enter into a 30-year mutual defense pact with the Soviet Union directed against Japan or any nation allied with Japan.

The outbreak of the Korean War and the intensified cold war between the United States and the Soviet Union that followed placed severe constraints on the kind of relations which China and Japan could es-

tablish with each other. Chairman Mao Tse-tung had chosen to "lean to one side," and Japanese leaders similarly had decided that, in a bipolar world, Japan's interest would be best served if she cast her lot with the United States. Therefore, during the 1950's, each nation was heavily dependent on its superpower protector and was strongly influenced by it.

The Sino-Soviet split removed the constraints which the simple "two-camp" world view had placed on China's relationship with Japan. Thus, beginning in the early 1960's, that relationship began to change. As the Chinese shifted the bulk of their trade away from the Soviet bloc to non-Communist countries and as the United States became increasingly tolerant of Japanese trade with China, Sino-Japanese trade grew rapidly. By 1965, Japan had become China's leading trading partner and by 1969 she accounted for 16 per cent of China's foreign trade.<sup>1</sup> Other relationships also developed, ranging from quasi-official trade missions and resident foreign correspondents in each other's capitals to "unofficial" fisheries agreements and all sorts of "friendship" missions traveling back and forth.

Sino-Japanese relations not only expanded quantitatively; they also acquired special characteristics. Chinese and Japanese treated each other in a special way. Cultural and racial affinities drew them together, but memories of conflict in the not distant past made them cautious. Moreover, the fact that the principal opposition parties in Japan tended to be pro-Chinese and anti-American gave Peking considerable leverage on the government.

Although the Sino-Soviet split (which caused China to seek non-Communist trading partners) led to the growth of trade and other cooperation between China and Japan during the 1960's, the fact that United States-Chinese hostility persisted and that Japan remained a close partner of the United States placed limits on the expansion of Sino-Japanese relations.

<sup>1</sup> China Affairs Division, Ministry of Foreign Affairs, "The Present State of Japan-China Trade," *Current Scene*, Vol. VIII, No. 9, May 1, 1970.



Throughout the 1960's, there was little softening of the rigid confrontation between the United States and China. In 1965, the large-scale intervention of United States forces in Vietnam increased the tension between Washington and Peking and affected Chinese views of Japan as well, because Japan and Okinawa became essential forward bases for the support of United States combat forces. Sino-Japanese relations were further strained by the explosion in 1966 of the cultural revolution in China, which came close to paralyzing Chinese foreign relations for several years and imparted an extremely anti-foreign tone to Chinese pronouncements. Thus, although substantial trade continued between Japan and China during the late 1960's, conditions were not ripe for significant new departures in their relationship.

Of course, the fact that Japan was an ally of the United States during a period when a central purpose of United States policy in East Asia was to "contain" China was not the only obstacle to the improvement of Sino-Japanese relations. Some of the mistrust that existed between the two nations arose from circumstances independent of the United States-Japanese alliance. The Japanese were made uneasy by China's growing nuclear force, by Chinese arrests or expulsions of Japanese journalists and businessmen, and by Chinese attempts to influence Japan's domestic politics. Moreover, the existence of diplomatic relations and a peace treaty between Tokyo and Taipei and the sizable and growing Japanese trade with Taiwan posed difficult practical problems for any Japanese government seeking to improve relations with mainland China. An influential pro-Taiwan lobby within Japan's ruling Liberal Democratic party vigorously opposed concessions to Peking that would jeopardize profitable and friendly relations with Taipei. In addition to being concerned about Japan's contribution to United States policies in East Asia, the Chinese, for their part, harbored suspicions that Japan's spectacular economic growth might in time lead to the revival of Japanese militarism and an attempt to dominate the region.

During the three-year period that set the stage for Premier Kakuei Tanaka's historic visit to Peking, Sino-Japanese relations were strongly affected by the changing Chinese view of the United States. At first, the Chinese seemed to fear that the United States intended to shift to the Japanese the primary military responsibility in northeast Asia. The Nixon Doctrine called upon allies to assume a larger share of the defense burden and Premier Eisaku Sato, in the Nixon-Sato communiqué of November, 1969 (announcing

agreement on the reversion of Okinawa to Japan), may have appeared to the Chinese to be delineating an area of increased defense responsibility for Japan when he declared that the security of South Korea was "essential" to Japan's security and that security in the Taiwan area was also "important" to Japan.<sup>2</sup> The rapid growth of Japanese economic interests in South Korea and Taiwan gave Peking additional reason to take seriously Japan's announcement of a security interest in these areas.

### CHINA'S CHANGING POLICY

The Chinese reacted to the Nixon-Sato communiqué with a violent and sustained attack on the alleged revival of "Japanese militarism." The intensity of the attack shook the Japanese—it seemed hardly justified by the modest Japanese military force in being and planned. In the spring of 1970, Peking increased its pressure on Japan with the enunciation of Chou En-lai's "four principles" concerning trade between Japan and China. He declared that China would not trade with Japanese firms that were deeply involved in trade or investment in South Korea and Taiwan, that supported the United States war effort in Vietnam, or that were subsidiaries of United States firms.<sup>3</sup> The negotiation of each annual unofficial trade agreement by members of the Liberal Democratic party became progressively more difficult, as China demanded that harsher criticisms of the Sato government be incorporated in the joint communiqués. In an authoritative exposition of Chinese fears of Japanese intentions, Chinese Premier Chou En-lai told *The New York Times* correspondent James Reston in July, 1971, that Japan's "economic expansion is bound to bring about military expansion." Chou implicitly conceded that Japan had not yet acquired great strength, but he insisted that it was important to oppose this danger while it was "only budding."<sup>4</sup>

But even as Peking's denunciations of the Japanese government mounted, the Chinese view of Japan's ally, the United States, was changing. The massive Soviet military buildup on the Chinese border culminating in the Sino-Soviet clashes on the Ussuri River in March, 1969, alarmed Chinese leaders and made them acutely aware of the danger of a state of hostility and military confrontation with both superpowers. Thus, when they saw that United States forces in the vicinity of China were being steadily withdrawn while the Soviet buildup continued, the Chinese responded favorably to President Richard Nixon's indications that the United States was prepared to seek improved relations.

The prospect of improved relations between China and the United States opened the way to improved Sino-Japanese relations. Chinese concern over the "revival of Japanese militarism" appeared to diminish, and attacks on Japan in the Peking press dropped

<sup>2</sup> *The New York Times*, November 22, 1969, carried the text of the communiqué.

<sup>3</sup> Kyodo News Agency, Tokyo, April 20, 1970, Foreign Broadcast Information Service, *Daily Report, Communist China*, p. A-11.

<sup>4</sup> *The New York Times*, August 10, 1971.

sharply after the fall of 1971.<sup>5</sup> The atmosphere for negotiations between Japan and China on normalization of their relations also improved. A strongly felt desire among Japanese for improved relations with China was intensified by the United States move toward rapprochement with Peking and by China's seating in the United Nations. During the closing months of the Sato government, the Chinese skillfully took advantage of this changing climate, dealing with opposition leaders and factional opponents of Sato in the Liberal Democratic party in order to ensure that Sato's successor would be under great pressure to negotiate successfully the normalization of relations with China.<sup>6</sup>

This, then, was the situation when Kakuei Tanaka took over the reins of power in July, 1972, and prepared to meet with Chairman Mao Tse-tung and Premier Chou En-lai in Peking:

- Despite Japan's lack of diplomatic relations with Peking, Japanese relations with China already were more extensive than China's relations with any other non-Communist nation.
- The United States relationship with China was no longer a constraint on Japan; on the contrary, the successful Nixon visit to Peking had the effect of a goad, prodding the Japanese government to move quickly to establish diplomatic relations with China.
- The Chinese had shown considerable ability to influence Japanese domestic politics on the China issue.
- China had evinced a long-term concern over the possible revival of Japanese militarism, but a readiness to tone down propaganda on this issue as prospects for improved Sino-Japanese relations became brighter.

#### NORMALIZATION AGREEMENT

The agreement reached by Chou and Tanaka served three principal purposes: it constituted formal recognition by Japan of the People's Republic of China as the sole legal government of China and provided for the exchange of diplomatic missions; it cleared up several problems arising from the Sino-Japanese war which had troubled relations between Peking and Tokyo; and it strengthened Peking's claim to Taiwan.<sup>7</sup>

The Japanese government's statement recognizing the People's Republic of China as the sole legal government of China was unequivocal and from Peking's viewpoint was probably the most important part of the agreement, for it meant that Tokyo rejected the

claim of the Republic of China on Taiwan to be the legitimate government of China and that Tokyo would sever diplomatic relations with that government.

Clearing away problems left over from the war between Japan and China which had ended more than 25 years earlier was also an important aspect of the agreement. In carefully chosen words declaring "the abnormal state of affairs" between the two countries at an end, the agreement finessed the question of the legal effect of the 1952 peace treaty between Tokyo and Taipei. The agreement itself made no reference to that treaty, the abrogation of which Peking had demanded as a condition of normalization of relations, but Japanese Foreign Minister Ohira declared at a press conference the day the agreement was signed that the 1952 treaty was "understood as having ended." In the agreement, the Japanese declared that they deeply reproached themselves for the enormous damage caused the Chinese people through war, while the Chinese renounced any demand for reparations. The agreement provided that a "treaty of peace and friendship" would be concluded in the future. Thus, the slate was cleared for a fresh start.

Concerning Taiwan, the Japanese government accepted by implication the Chinese view that "Taiwan is an inalienable part of the People's Republic of China," although without formally "recognizing" Taiwan as such. In the agreement, the Japanese government declared that it "fully understands and respects" the Chinese government's position. In addition, it affirmed compliance with Article 8 of the Potsdam Proclamation, which reaffirmed the position of the Cairo Declaration that Taiwan should be returned to China. Since the Japanese government recognizes Peking as the sole government of China, it has, in effect, accepted the validity of that government's claim to Taiwan.

The Chou-Tanaka agreement also contained an important declaration of the principles which should govern relations between the two countries, and provided for the negotiation of trade, navigation, aviation, fisheries and other agreements.

It is important to look, not only at what the Chou-Tanaka agreement contained, but also at what it did not contain. Many Japanese had feared that the Chinese, in negotiating the normalization of relations with Japan, would raise difficult questions about the extent of Japan's economic relations with Taiwan and about the United States-Japanese security treaty—especially whether the Japanese would allow the United States to use United States bases in Japan for the defense of Taiwan. Judging from the accounts of the negotiations given to LDP members by Tanaka and Ohira upon their return to Japan, Japan's relations with Taiwan and the United States-Japanese security treaty were discussed, but the Chinese did

<sup>5</sup> See Shinkichi Eto, "Japan and China: A New Stage?" in *Problems of Communism*, Vol. XXI, November-December, 1972, p. 4.

<sup>6</sup> For a detailed discussion of Peking's tactics toward Japan during this period, see Abraham M. Halpern, *Peking and the Problem of Japan, 1968-72*, Professional Paper No. 99, July, 1972, Center for Naval Analyses.

<sup>7</sup> For the text of the agreement, see *The New York Times*, September 30, 1972.

not press for any Japanese concessions in these areas.

Less than a year has passed since the Chou-Tanaka agreement was signed. Consequently, the full effects of that agreement on Sino-Japanese relations cannot yet be judged. Nevertheless, there have been a number of significant developments which provide a basis for some tentative conclusions.

Some of the strongest pressures on the Japanese government for normalization of relations with China came from businessmen who believed that normalization would lead to a rapid expansion of trade between the two countries. There is some evidence that the pace of trade expansion may quicken in 1973. Even before his visit to Peking, Tanaka lifted the ban on Export-Import Bank credits for China trade, which had been in effect since 1964. This made possible deferred payment arrangements (five- to seven-year, medium-term loans) for the export of complete industrial plants to China. Several contracts of this sort have been concluded for the sale of petrochemical plants. The Chinese have also demonstrated interest in expanded trade by dispatching at least 10 technical missions to Japan during 1972 and early 1973 in various fields, including steel, shipbuilding, automobile production, electric power generation, electronics, synthetic fibers and foodstuffs. The Chinese have also signed a path-breaking agreement with a Japanese firm for the export of a million tons of crude oil to Japan.

We will have to await the figures at the end of 1973 to see whether there is, in fact, a spurt in the rate of increase of Sino-Japanese trade exceeding the 22 per cent increase in 1972 over 1971.<sup>8</sup> How rapidly Sino-Japanese trade can grow depends fundamentally on two policy decisions by the Chinese government: first, whether to depart from the established policy of maximum self-reliance and place a high priority on the expansion of foreign trade and, second, whether to direct to Japan a larger proportion of Chinese foreign trade than the 20 per cent prevailing in 1972. So far, although there are many signs that the Chinese are very much interested in importing foreign technology and are trying to increase their sales of Chinese goods to meet their import needs, there is no clear evidence that they have made the basic decisions (1) to accept long-term loans; (2) to export raw materials such as oil, coal, or iron ore on a large scale;<sup>9</sup> or (3)

to follow the course of Taiwan, South Korea and Hong Kong and produce large amounts of well-designed, market-oriented consumer goods for the affluent markets of the United States, West Europe and Japan. Only by adopting one or a combination of these policies could the Chinese expand their foreign trade greatly over the next few years, and there are considerable political and technical obstacles to their doing so. Thus, although the normalization of relations between China and Japan may somewhat accelerate the growth of Sino-Japanese trade, any radical enlargement of that trade depends basically on decisions made by China.

A second area which has been affected by the normalization agreement is the Japanese relationship with Taiwan. The Chinese had been seriously concerned about the rapidly growing Japanese influence in Taiwan, particularly after Sato declared Japan's interest in the security of the Taiwan area. Chou En-lai's "four principles" seemed designed to check this trend. The normalization agreement altered the legal basis of Japan's relationship with Taiwan, but did not interfere with economic and other relations. Thus, Ohira was able to say on his return to Tokyo that

there are strong and deep ties between Japan and Taiwan. Consequently, even if diplomatic relations are severed, administrative relations must be respected and treasured. So long as they do not touch upon the very roots of the maintenance of Japan-China relations, we intend to devote utmost efforts for the maintenance of administrative relations between China and Japan.<sup>10</sup>

Thus, when diplomatic relations between Japan and Taiwan were severed, the two countries set up quasi-official organs staffed by foreign service officers on leave from their respective foreign ministries to carry out the functions previously handled by embassies.

There was a period of uncertainty about the future of Taiwan beginning with the announcement of President Nixon's intention to visit China and extending through most of 1972, during which period new Japanese investment in Taiwan was virtually halted and there was much talk about the withdrawal of Japanese capital from Taiwan. Many Japanese feared retaliation against Japanese economic interests by the government in Taiwan because Japan had recognized Peking and had severed diplomatic relations with Taiwan.

Japanese fears proved unfounded, however. The Taipei government placed limits on the import of Japanese machinery, but more for the purpose of reducing Taiwan's large adverse trade balance with Japan and diminishing Taiwan's heavy economic dependence on Japan than in retaliation—and these limits have already been eased substantially. The authorities in Taipei are keenly aware of the political and economic importance to Taiwan of retaining

<sup>8</sup> The volume of two-way trade in 1971 was \$900 million and in 1972, \$1.1 billion. The 1972 figure contains an upward bias resulting from the conversion into a devalued dollar of the value of trade conducted in yen and yuan, currencies against which the dollar was devalued. A similar upward bias will appear in the 1973 figures, because of the second dollar devaluation in February, 1973.

<sup>9</sup> The shipment of one million tons of oil to Japan is only a token. It represents only 1/200th of Japan's current annual oil requirements. It is uncertain whether Chinese oil production will be sufficient to expand this export very much in future years.

<sup>10</sup> *Asahi*, October 1, 1972.



strong ties with Tokyo. Trade between Japan and Taiwan continued to expand during 1972, reaching a level of nearly \$1.5 billion, an increase of some 25 per cent over the previous year and considerably higher than Japan's trade of \$1.1 billion with the China mainland. The Tokyo press reports that trade has continued to grow briskly during the first quarter of 1973<sup>11</sup>. The same report also states that no large Japanese enterprise has withdrawn from Taiwan, and that a number of medium-sized firms are planning investments in Taiwan.

So far, Peking has made no attempt to interfere with this continuing expansion of Japanese trade with Taiwan. On the contrary, Chinese officials have assured Japanese businessmen that their interests in Taiwan would not be dealt with harshly after the island is "liberated."<sup>12</sup> Peking pressured the Japanese to change their working relationship with Taiwan in only one respect, in connection with the negotiation of an aviation agreement between Japan and China. Negotiations have stalled over Chinese demands that the Japanese modify present reciprocal arrangements for service by Japan Airlines and Taipei-based China Airlines between Japan and Taiwan. Precisely what the Chinese are demanding is not clear, except that they insist that their aircraft cannot land at the airports servicing China Airlines aircraft. This places Japan Airlines in a difficult position, for the Taiwan run, with 37 flights per week, is one of JAL's most lucrative. JAL carried a large proportion of the more than 275,000 Japanese who visited Taiwan in 1972, a figure that dwarfs the 8,000 or so Japanese who traveled to mainland China that year. The kind of compromise Tokyo eventually works out with Peking and Taipei on this issue will be an important indicator of the trend of Sino-Japanese relations following the normalization agreement—particularly in showing whether Peking is embarking on a systematic effort to diminish Japan's relations with Taiwan.

Japan's relationship with the United States diminished as an issue between Peking and Tokyo even before the normalization agreement. So long as United States-Chinese relations continue to improve and the Chinese continue to worry about the Soviet military threat, the United States-Japanese alliance will probably not become an important problem in Sino-Japanese relations. In a significant conversation with a senior LDP politician, Takeo Kimura, in January, 1973, Chou En-lai indicated that the Chinese accept the inevitability of the United States nuclear umbrella for Japan under present circumstances.<sup>13</sup>

Japanese relations with the Soviet Union are another matter. Large-scale Japanese loans and tech-

nical assistance in the development of Siberian resources would disturb the Chinese, not only because this might imply that the Japanese were inclining to the Soviet side in the Sino-Soviet dispute, but also because of the resulting strengthening of Soviet military capabilities in Siberia and the Far East. Liao Cheng-chih, the leader of an important "friendship mission" which visited Japan in April, 1973, declared that if Japan materially aided the Soviet Union in constructing a pipeline from the Tyumen oil fields to the Pacific, the Chinese would harbor "bitter feelings," for this would assist the Soviet Union in supplying fuel to its military forces deployed along the Chinese border.<sup>14</sup> Thus, the Japanese are torn between their growing need for resources—especially new sources of petroleum—and their reluctance to strain their relations with China.

Another potential problem in Sino-Japanese relations is the dispute between the two countries over the Senkaku Islands, known to the Chinese as Tiao Yu Tai, a group of small uninhabited islands on the outer edge of the continental shelf near the Ryukyu Islands, and regarded by the Japanese as part of that chain. Because ownership of the islands could have a bearing on Japanese claims to underseas oil resources in the continental shelf, the dispute is potentially serious. When Tanaka raised the subject with Chou En-lai, however, he indicated he did not wish to discuss it at that time and the issue has remained dormant since the normalization agreement.

## CONCLUSIONS

The substance of Sino-Japanese relations so far does not appear greatly changed as a result of the normalization agreement. Trade continues to expand, perhaps at a somewhat accelerated pace, but there is no evidence that the Chinese have made the basic decisions that would be required to transform radically Sino-Japanese economic relations. Unless that happens, during the next few years the volume of Sino-Japanese trade will probably not become a much larger proportion of total Japanese trade than the two per cent it is today.

The change in the legal relationship of Japan to Taiwan has had little effect on the substance of relations between Tokyo and Taipei. Trade continues to expand rapidly and Japanese tourists flock to Taiwan.

*(Continued on page 133)*

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Ralph Clough was a foreign service officer from 1941 to 1969, serving for 13 years in posts in mainland China, Hong Kong, and Taiwan. He has also been director of the office of Chinese affairs and a member of the policy planning council of the department of state. Since retirement from the Foreign Service, he has been engaged in research on East Asia at the Brookings Institution.

<sup>11</sup> *Ibid.*, May 2, 1973.

<sup>12</sup> *Ibid.*, May 29, 1972.

<sup>13</sup> *Sankei*, January 29, 1973.

<sup>14</sup> *Yomiuri*, March 12, 1973.



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*As for Taiwan's future, according to this author: "Most likely, Taiwan will continue to operate her capitalist-oriented economy, but will acknowledge the mainland's authority in defense and foreign affairs. Thus the CPR will have recovered its territory, while Taiwan will continue to enjoy the fruits of her prosperity."*

## Taiwan and China: The Delicate Courtship

BY ROBERT R. SIMMONS

*Assistant Professor of Political Studies, University of Guelph (Ontario)*

SEPARATED BY APPROXIMATELY 100 miles of water and about half a century of bitter civil war, the Kuomintang (KMT) and the Chinese Communist party (CCP) are now faced with the probability that their frozen confrontation will be radically transformed because of recent spectacular changes in Asian international relations.

Most speculations about the future of the Taiwan-China problem are based on weak historical analogies. From 1661 to 1681, Taiwan served as the territorial base for an alternative government to the mainland government of the Ch'ing dynasty. Cheng Ch'ien-kung (Koxinga) and his son, Cheng Ching, sought vainly to recover the mainland. Political intrigues and infighting after the death of Cheng Ching led to two centuries of decentralized control by the mainland until 1885 when, faced with foreign intrusions, Taiwan was finally declared a province of China.

At the close of the nineteenth century, in an abortive attempt to prevent its seizure by Japanese imperialism, Taiwan proclaimed its independence on May 25, 1895. Peking even invited France and Britain to take over Taiwan.<sup>1</sup> Failing in these schemes (all of which have their current echoes), Taiwan was ruled as a Japanese colony from 1895 to 1945.

The victorious World War II allies pledged the return of Taiwan to China in both the Cairo Declaration of 1943 and the Potsdam Proclamation of 1945. In 1938, the KMT had announced its determination

to recover Taiwan after the war. Until the late 1940's, the CCP, on the other hand—more concerned with shorter-range goals—appeared to be less "nationalistic" on the question of the reversion of Taiwan to the mainland.<sup>2</sup>

With the almost blitzkrieg-like series of Communist triumphs between 1948 and 1950, the KMT found itself in a situation similar to Koxinga's three centuries earlier. The new Chinese People's Republic (CPR) was confident that it would end the long civil war by the destruction of the KMT which had fled to Taiwan. But unlike seventeenth century Taiwan, the KMT's Taiwan had a powerful protector.

Circumstances for the final defeat of the KMT seemed auspicious. On January 5, 1950, United States President Harry Truman declared that the United States—reversing its previous large-scale economic and military support for the KMT—would no longer "pursue a course which will lead to involvement in the civil conflict in China." In effect, the United States was indicating that it would not interfere with the Chinese invasion of Taiwan.

Just before the consummation of the Chinese civil war, however, the Korean civil war began. Two days later, on June 27, 1950, President Truman officially directed the United States Seventh Fleet to protect Taiwan. In actual fact, however, the Seventh Fleet was not in or near the Taiwan Straits in strength until the late fall of 1950. Consequently, although China had both the capability and the will to attack Taiwan, she prudently chose to accept President Truman's verbal interdiction. The Chinese Communists perhaps hoped that the impulsive President would return to his January 5 statement, and were aware of the fact that American planes could bomb China's cities.<sup>3</sup>

This established the triangular pattern surrounding the Taiwan Straits for the next two decades. The

<sup>1</sup> Ting-ye Kuo, "History of Taiwan," in *China and the Question of Taiwan*, edited by Hungdah Chiu (New York: Praeger, 1973), p. 17.

<sup>2</sup> See Edward Friedman, "Real Interests of China and America in the Taiwan Area," in *Taiwan and American Policy* (no editor listed); with other excellent essays by Jerome Alan Cohen, Harold C. Hinton, and Allen S. Whiting (New York: Praeger, 1971), p. 50.

<sup>3</sup> Robert R. Simmons, "Some Myths about June, 1950," *The China Quarterly*, April-June, 1973.

United States proclaimed its willingness to defend the Republic of China (ROC) on Taiwan; Taipei continued to claim lawful jurisdiction over the mainland; and China—while consistently insisting upon her moral right to liberate Taiwan—refused to run the risk of a war with the United States. And for good reason: between 1950 and 1970 the United States pumped \$2.5 billion worth of military aid and \$1.5 billion worth of economic aid (between 1951 and 1965) into Taiwan.

In the 1950's and 1960's, the People's Republic of China was threatened by the United States-ROC alliance. During this period, the United States cooperated with ROC attacks on the mainland, moved atomic cannons into the Taiwan Straits area, allocated \$25 million to build a 12,000-foot runway at the Kung Kuan Airbase capable of launching nuclear-carrying B-52 bombers, staged U-2 spy flights over China and, as late as 1969, aided a ROC naval offensive operation into China's Min River which reportedly destroyed at least three Chinese ships.

Each government bordering on the Taiwan Straits has grasped the fact that it cannot rely upon the assurances of its ally. Peking was the first to learn this lesson. During the Taiwan Straits crises of 1955 and 1958, the Soviet Union refrained from going to the brink of war on China's behalf. (Shortly afterward, during Soviet Premier Nikita Khrushchev's visit to the United States in 1959, the Russians supported a "two China" policy, to avoid any possibility of being dragged into a war over Taiwan.)

With the ROC-United States alliance staging raids on China's coast, and China's Soviet ally refusing to assist in an armed attack on Taiwan, the People's Republic began to appeal for the "peaceful liberation" of Taiwan in 1955.<sup>4</sup>

Except for short periods of aberration caused largely by domestic ideological difficulties, Peking continued its appeals for a negotiated, compromise settlement with Taiwan until the escalation of the war in Vietnam. Thus Foreign Minister Ch'en Yi, in September, 1965, urged Generalissimo Chiang Kai-shek and his family to return to the mainland: "The possibility of Kuomintang-Communist cooperation is great and is, moreover, increasing."<sup>5</sup>

The United States, meanwhile, refused to aid the KMT in its desire to launch a full-scale attack upon

the mainland. As the People's Republic's authority over the mainland solidified, the KMT feared that when the United States wished to negotiate with China, Taiwan's continued independence would become a bargaining counter.<sup>6</sup>

## TAIWAN

Since its retreat to Taiwan in 1949, the ROC has garbed itself as the government of mainland China, thus causing a significant strain on the credibility of its claims to its own citizens and to the recognition of other states.<sup>7</sup> The cost of its claim to be the only government of China has been high. Taiwan maintains an army of 550,000; proportional to population, this is the largest standing army in the world. Moreover, the ROC's dual governmental structure has entailed an aging bureaucracy which has purported to represent each province, a cumbersome and exhausting posture.

Until recently this has been a serious problem, but the appointment of 63-year-old Chiang Ching-kuo (Chiang Kai-shek's son) as Premier on June 1, 1972, has led to a rapid improvement. The new leader has carried out drastic anti-corruption reforms. This included new elections in February, 1973. Many new and younger members of the ROC and Taiwan provincial governments have been appointed. In the government now, there is a higher percentage of Taiwanese.

In terms of culture, tradition and language, Taiwan today is more "Chinese" than Tibet was "Chinese" in 1950 or Okinawa was "Japanese" in 1970. But during the past 25 years the governments on the two sides of the Taiwan Straits have been growing further apart on all three indices. Approximately one-half of the population on each side is under 20 years of age; this has meant that each youthful group is imbued with opposing slogans ("recover the mainland," "liberate Taiwan") which, no matter how ritualistically repeated, create a feeling of division between the two Chinas. For example, while the meaning and coloration of many words have changed on the mainland, vocabulary—and the social and ideological culture which it reflects—have remained fairly constant on Taiwan.

While those with middle class aspirations on the mainland are urged to "serve the people" by working in the countryside and eschewing personal luxuries, Taiwan's population is immersed in a consumer-culture. Taiwan, it must be remembered, is a modernizing-industrializing society. The island of 15 million is more populous than 97 of the 132 members of the United Nations.

In spite of her international diplomatic defeats, Taiwan's economy continues to accelerate. Her overall trade in 1972 grew by 40 per cent (the projected 1973 figure is \$7.5 billion [U.S.], with a favorable bal-

<sup>4</sup> See Hungdah Chiu, "China, the United States, and the Question of Taiwan," in Chiu, *op. cit.*, p. 149.

<sup>5</sup> *Peking Review*, October 8, 1965, p. 12.

<sup>6</sup> It is predicted that American forces on Taiwan will diminish to 3,500 (from a peak of 10,000) by the end of 1973.

<sup>7</sup> In January, 1968, the ROC was recognized by 64 states, the CPR by 45; by January, 1973, this ratio had been reversed: 39 for the ROC and 85 for the CPR.

ance of \$500 million); her gross national product rose 12 per cent in 1972; trade continues to increase with those countries which have recognized the CPR such as Canada and Japan; and, perhaps most significantly, her per capita income rose from \$329 (U.S.) in 1971 to \$372 (U.S.) in 1972.<sup>8</sup> Consequently, it may be difficult to convince Taiwan's population, particularly her youth, to accept a reduction in material gratifications in exchange for the emulation of China's socialist ideological fervor.

Because "mainlanders" make up only about 15 per cent of the island's population, tensions between them and the Taiwanese have been real. The February, 1947, massacre of perhaps 20,000 Taiwanese by the KMT governor has not been forgotten by the Taiwanese. Over time, strains have been ameliorated by the ROC's successful land reform program, a booming economy, and the increasing recruitment of Taiwanese into the political process.<sup>9</sup>

However, without an island-wide Gallup Poll, it is difficult to predict the intensity of Taiwan's support for the government of the ROC in the event of an economic downturn, the lessening of United States support, or the presence of open negotiations with the mainland. Prophecy becomes speculation: will Taiwan's second-generation leaders wish to rejoin the mainland if they receive—and believe—Peking's assurances of internal political-economic autonomy? Part of the answer, of course, is outside their control.

#### PEKING, WASHINGTON, TAIPEI

The February, 1972, Shanghai Communiqué apparently signaled the demise of the Taiwan Independence Movement. The document, backed away from the long-standing American position that the legal status of Taiwan had not been settled. The

communiqué stated that since "all Chinese on either side of the Taiwan Straits maintain there is but one China and that Taiwan is a part of China," the United States would not "challenge this position. It reaffirmed its interest in a peaceful settlement of the Taiwan question by the Chinese themselves." Consequently, the possibility that the ROC might be proclaimed an independent state of Taiwan was drastically diminished.<sup>10</sup>

A dramatic indication of the flexibility of relations between the two Chinas is the fact that since May, 1973, for all intents both Peking and Taipei have maintained separate diplomatic legations in Washington—until the Shanghai Communiqué an unheard-of development. Chiang Ching-Kuo, meanwhile, continues to state: "Let me give you my word of honor that we will never enter into negotiations with the Chinese Communists."<sup>11</sup>

But the spectacular change in American foreign policy toward China has been responsible for shifts of attitude among all three of the concerned capitals. Taipei is increasing its semi-official international contacts through its highly successful import-export trade. Washington is withdrawing much of its military presence from the area, and is clearly hoping for an end to the Chinese civil war. This most likely involves some form of pressure by Washington upon its ROC ally. There are faint, implicit signs that this process has begun. The ROC Vice-President, for example, when asked recently if there were any United States pressure upon his government to negotiate with the mainland, delicately responded that "he did not know of any."

Peking, on the other hand, has returned to its policy of making public and private statements pledging tolerant and special treatment for Taiwan if the island agrees to a "peaceful liberation." In 1971, Premier Chou En-lai told a group of visiting United States reporters that Taiwan would continue to prosper under Peking's control because the personal income tax would be abolished, and that no political or economic retribution would be taken against KMT officials if the island yielded peacefully. On August 27, 1972, a group of 15 overseas Chinese from North America interviewed Premier Chou. Taiwan was a central feature of the conversation, which was plainly aimed at a larger audience. Premier Chou emphasized the following points: 1) the "liberation" of Taiwan would be peaceful; 2) Taiwanese are Chinese, and are warmly invited to visit the mainland; 3) "If his government was able to negotiate with United States President Richard Nixon, it could certainly negotiate with Chiang Kai-shek"; 4) Taiwan's socio-economic reintegration would be a very gradual process, and Taiwanese could expect to keep their higher economic standards; and 5) any withdrawal of foreign capital from Taiwan would be made up by

<sup>8</sup> *The New York Times*, January 21, 1973, Section F, pp. 50-54. While a comparison may be deceptive because of the different socio-economic systems, it is worth noting that the estimated 1971 per capita income on the mainland was U.S. \$142. See also "The Outlook for China's Economy," by Kuan-I Chen, *Current History*, September, 1972, p. 108.

<sup>9</sup> See Sheldon Appleton, "Prospects for Student Activism on Taiwan." Paper presented at the February, 1973, International Symposium on the Future of Taiwan at Arizona State University, p. 13 (to be published by the Center for Asian Studies of Arizona State University). Also see the same author's "Taiwanese and Mainlanders on Taiwan: A Survey of Student Attitudes," *The China Quarterly*, October-December, 1970, pp. 38-65.

<sup>10</sup> The implication of the Shanghai Communiqué that Taiwan, in some as yet unknown manner, will rejoin the mainland finds its precursor in the October 13, 1970, agreement between the governments of Canada and the CPR: "The Chinese government reaffirms that Taiwan is an inalienable part of the territory of the People's Republic of China. The Canadian government takes note of this position of the Chinese government." Since then the British government, on March 13, 1972, and the Japanese government, on September 29, 1972, have reversed their long-standing positions on Taiwan's status in order to secure full diplomatic relations with the CPR.

<sup>11</sup> "Chiang's Son Bars Talks with Peking," *The New York Times*, January 22, 1973, p. 4.

government subsidy.<sup>12</sup> The CPR feels confident that there will be national reunification; it hopes that this policy will ensure continued United States support against Soviet political and military pressure.<sup>13</sup>

Peking has recently been giving wide attention, for example, to the former ROC commercial attaché in Australia who defected to the mainland. He has been given a post in the CPR's Ministry of Foreign Trade and is depicted as happily reunited with his family. The implication is that similar treatment awaits every Chinese on Taiwan if Taiwan rejoins the mainland.

## OIL

One factor which seems certain to cement the solidifying United States-Chinese relationship is the cooperative exploitation of massive underseas oil reserves along the mainland's east and southeast coasts. The long-term development of these vital resources, which are believed to exceed all the world's known oil reserves,<sup>14</sup> will radically alter the present world balance of power. The United States is the major possessor of the deep-water technology and engineering hardware needed to sink wells in the 400- to 700-foot depths where most of the oil lies. In addition, the Chinese are short of the foreign exchange which they need to purchase heavy equipment used in industry and farming as well as petroleum exploitation. Thus, for the CPR, the problem of Taiwan becomes secondary, as the Chinese focus on regaining Taiwan on terms amenable to Washington. The expected export of underseas oil in the next five years will also encourage Japan to resist a quick, total reincorporation of Taiwan with the mainland; Japan hopes to maintain its strong economic position in a semiautonomous Taiwan.

## TOKYO AND TAIPEI

Tokyo appears to be involved in a long-term strategy designed to keep Taiwan under Japanese economic hegemony. While Japan expects China to control Taiwan politically and militarily in the next five to ten years, she expects to retain her U.S. \$650-million investment stake and her favorable export position currently yielding more than U.S. \$500 million per year. Japanese companies dominate the ROC's ex-

ternal trade not only with Japan, but with most other countries as well. This has seriously hampered the ability of the Taiwan government to diversify trade in response to the Tokyo-Peking rapprochement.

Tokyo's position is based on the conviction (now apparently shared by Washington) that Peking, rather than Taipei, will control the vast, untapped oil resources of the East China Sea continental shelf. Tokyo seems to have judged well: during Prime Minister Kakuei Tanaka's visit to Peking in September, 1972, the CPR steered clear of the oil-related issue of the Senkakus (Tiao Yu Tai), located north of Taiwan. These islets would give Japan her only territorial claim to a role in off-shore petroleum exploitation. Because both Taipei and Peking want to maintain good economic and political relations with Tokyo, it is probable that Japan's claim to the Senkakus will not be seriously disputed.

There are now informal consultations between Peking and Tokyo concerning economic decisions affecting Taiwan; approval is increasingly sought by individual Japanese interests before carrying out projects in Taiwan.

Thus, trade, politics and oil have combined to place pressure upon Taipei by her two major allies, Japan and the United States, to come to an agreement with Peking.

Undoubtedly, Chiang Ching-kuo does not want to repeat the example of Cheng Ching, whose death precipitated the return of a feeble, impotent Taiwan to the mainland. Most likely, Chiang Ching-kuo will seek some form of normalization with the mainland which will allow Taiwan a maximum of local autonomy. Peking, realizing that the reversion will be a very slow process, has cited the gradual pace of the North-South Korean reunification talks to indicate that it appreciates the fact that the differences between the governments on the two sides of the Taiwan Straits are severe and that agreements will come in slow stages.

Perhaps in preparation for the possibility of Taipei-Peking negotiations, Chiang Ching-kuo is working hard to unite the Taiwanese and the Chinese in order to present a united front. Working in his favor in talks with the mainland are three factors: 1) Taiwan's population wants to keep its higher standard of

(Continued on page 134)

<sup>12</sup> Joseph J. Lee, "Peking's View of Taiwan: An Interview with Premier Chou En-lai" (paper presented at Arizona State University, cited in footnote 9). Also see "People in Mainland Cherish Deep Feelings for Compatriots in Taiwan Province on Eve of Spring Festival," *New China News Agency*, February 2, 1973, in *Survey of the China Mainland Press*, nos. 5317-5320, February 20-23, 1973, pp. 19-22.

<sup>13</sup> Another manifestation of Soviet pressure which the CPR is probably counting on United States assistance to counter is the small naval flotilla which the Soviet Union recently sent steaming through the Taiwan Straits.

<sup>14</sup> As early as 1968, preliminary surveys conducted by the American oceanographic ship *Hunt* concluded that the reserves were "massive"; in the word of one authority, "breath-taking."

Robert R. Simmons taught at the Chinese University of Hong Kong and the University of California, Los Angeles, before joining the faculty of the department of political studies, University of Guelph, Guelph, Ontario, Canada. He is the author of the forthcoming *The Strained Alliance: Communist International Relations during the Korean Civil War* (New York: The Free Press).



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*"It is very likely that China will lengthen her lead over the ordinary less developed nations during the next decade. But it is not clear that she can narrow the gap between her economy and that of the dynamic capitalist industrial nations, or prevent the gap from widening."*

## China's Industry: Strengths and Weaknesses

BY KUAN-I CHEN

*Professor of Economics, State University of New York at Albany*

SINCE 1949, the Chinese leadership has been guiding China's immense human assets and rich natural resources toward the building of a modern industrial state self-sufficient in technology, capable of providing sufficient utilitarian goods for the masses, and supporting a sizable modern defense capacity. The record so far has been a mixed one—impressive successes on many fronts of the industrial sector, partial failures and unfinished tasks.

Although extremely limited statistics on total industrial production were released by the Chinese government in the past decade, several estimates on Chinese industrial growth have been made by experts on China in the West. Their works, especially the recent estimates of Robert M. Field<sup>1</sup> and Thomas Rawski<sup>2</sup>, provide sufficient information for a picture of Chinese industrial growth during the period 1949–1972.<sup>3</sup> Based on Robert Field's production series, it appears that China's industrial sector has grown at an average annual rate of 10.9–11.2 per cent during 1949–1972. The industrial output in 1949 was be-

low the pre-1949 peak and the use of 1949 as a base year may have overstated the long-term industrial growth rate of China. Since the industrial output in 1951<sup>4</sup> surpassed the pre-1949 peak, the use of the period 1951–1972 more than eliminates the upward bias of long-term growth rate. Even for the period 1951–1972 China's industrial sector still advanced at a fairly high annual rate of 9.3–9.6 per cent. Thus, by 1972, China's industrial output was 10 or 11 times as high as it had been in 1949 and 6 or 7 times as high as it was in 1951. In short, China has made fairly impressive gains in long-term industrial growth, although the rate of growth was much less impressive than that of Japan in the same period.

Even though China's long-term industrial growth has been strong, it has been rather erratic. The average annual growth rate (based on Field's series) was 27 per cent for 1949–1952, 14 per cent for 1952–1957, 2.9–3.8 per cent for 1957–1963, 5.0–6.1 per cent for 1957–1965 and 8.5–8.9 per cent for 1965–1972. Based on Rawski's production series, the annual industrial growth rate of China also shows much fluctuation during these periods: 19.2 per cent for 1952–1957, 7.7–10.1 per cent for 1957–1963, 9.0–10.8 per cent for 1957–1965 and 9.9 per cent for 1965–1972. However, Rawski's estimates of growth rates are significantly higher than those of Field. Part of the difference arises from the fact that Field's production index includes slow-growing individual handicrafts while Rawski's does not.

As a result of rapid growth in the industrial sector, structural change has occurred within the Chinese economy. The industrial sector's share of the Chinese GNP may have increased from about 18 per cent in 1957 to around one-third<sup>5</sup> in 1972, while agriculture's share may have declined from about 48 per cent to approximately 26 per cent. Given a GNP of around \$140 billion for 1972, the industrial output may reach the level of \$45 billion.

<sup>1</sup> Robert M. Field, "Chinese Industrial Development: 1949–70" *People's Republic of China: An Economic Assessment*, Joint Economic Committee, U.S. Congress (Washington, D.C.: Government Printing Office, May 18, 1972), pp. 61–85. This source estimated the index of total industrial production for the period 1949–1970 and gave industrial growth rate at 12 per cent for 1971.

<sup>2</sup> Thomas Rawski, "Recent Trends in the Chinese Economy," *The China Quarterly*, January/March, 1973, pp. 1–33. This source estimated the index of total industrial production for the period 1957–1971.

<sup>3</sup> The industrial production growth rate for 1972 was estimated as 10 per cent. See Thomas W. Robinson, "China in 1972: Socio-Economic Progress Amidst Political Uncertainty," *Asian Survey*, January, 1973, pp. 14–15.

<sup>4</sup> Barry M. Richman, *Industrial Society in Communist China* (New York: Random House, 1969), p. 600.

<sup>5</sup> This estimate was based on data in Arthur G. Ashbrook, Jr., "China's Economic Policy and Economic Result, 1949–71," *People's Republic of China: An Economic Assessment*, Joint Economic Committee, U.S. Congress (Washington, D.C.: Government Printing Office, May 18, 1972), pp. 42, 46, 47. The industrial sector's share in 1970 was 30 per cent as estimated from these data. The share may further increase to 33–34 per cent by 1972.

## HEAVY INDUSTRY

The fulfillment of the goal of building a modern industrial state self-sufficient in technology and capable of supporting a sizable modern defense capacity requires a large investment in heavy industry. But the concentration of investment in heavy industry during the past 20 years has resulted in a substantial change in the relative importance of the broad functional sectors of industry. During the period 1952–1970, the industrial materials sector has expanded more rapidly than any other sector—an expansion of 569–673 per cent.<sup>6</sup> The output of iron and steel, cement, timber and building materials has increased rapidly, but chemical fertilizer has shown the most spectacular growth. The output of the machinery sector increased by 470–559 per cent between 1952 and 1970. The rapid growth of this sector could have been anticipated, since it is the crucial sector for attaining the goal of self-reliance and for supporting the modern defense capacity. This sector now produces machine tools, antifriction bearings, agricultural machinery, tractors, trucks, diesel locomotives, ocean-going vessels, metallurgical equipment, power generators, chemical equipment, petroleum extraction and refining equipment, computers, electronics, nuclear reactors, among other machinery.

The fuels and power sector also grew rapidly during 1952–1970, increasing 467–555 per cent. The outstanding achievement in this sector was the progress made in the petroleum industry. China imported over 90 per cent of her oil needs in the early 1950's, but she is now essentially self-sufficient in crude oil and has produced a complete line of petroleum products. China's recent agreement to export 200,000 tons of crude oil to Japan signals the beginning of a growing surplus for export.

The light industry sector registered the smallest gain during 1952–1970, an increase of only 102–134 per cent. As a result, this sector's share of total industrial production dropped from 56 per cent in 1952 to only 29 per cent in 1970. In contrast, the share of the industrial materials sector increased from 20 per cent in 1952 to 34 per cent in 1970; the share of the machinery sector increased from 13 per cent to 20 per cent and that of the fuels and power sector rose from 12 per cent to 17 per cent. As industry grows rapidly over the next few years, change in sectoral share is expected to continue.

A brief review of the change in Chinese economic development strategy during the past 23 years will help us to understand past and present industrial policy—what the current policy intends to accomplish

and what the consequences of that policy are in terms of the strengths and weaknesses of Chinese industrial development. The period 1949–1952 was essentially one of restoration of economic “law and order,” consolidation of government control over the economy, rebuilding of the existing industrial facilities, and expansion in selected sectors of the economy. The period 1953–1957 covered the first five-year plan which was characterized as forced-draft industrialization in the Soviet style. The priority was to expand rapidly the capacity and output of heavy industrial products such as steel, coal, electric power, cement, machinery and other basic industrial commodities. Very limited investment funds were allocated to expand the modern inputs for agriculture. Thus most efforts were diverted to the development of heavy industry, especially to those branches which could turn out producers' goods for the further expansion of heavy industry. In the meantime, the policy of regional development was followed. Industrial capacity in the old industrial centers was modernized, and production was pushed toward full capacity, while large new plants were located in the inland area. Such inland development was possible because huge electric power plants were built in the middle reaches of the Yellow River and new rail link systems were established.

## THE GREAT LEAP FORWARD

The strategy of the Great Leap Forward during 1958–1960 was to continue the development of heavy industry in the typical Soviet model together with the development of agriculture. In effect, it called for the simultaneous development of two distinct industrial sectors: a modern large-scale, capital intensive sector and a traditional small-scale labor-intensive sector in the communes through mass mobilization of peasants. The modern sector continued its task of expanding the heavy industrial base, especially on basic industrial commodities, with very limited resources allocated to the production of modern inputs for agriculture. The traditional sector would eventually develop peasant industries, including backyard furnaces for iron and steel making, to meet the needs of communes for agricultural producer goods.

At its peak, there were 3 million traditional small-scale factories (or mini-installations), but only 200,000 of these factories<sup>7</sup> survived the process of readjustment and remained in operation by 1960. It soon became obvious that such traditional peasant industry could not raise the yield of foodgrains significantly in as short a time as anticipated. Modern but small industry would be needed to provide effective capital goods for raising the agricultural yield. However, the peasant at that time did not possess the skills and resources to construct such small modern factories on a large scale. The then existing small heavy industry base in the urban centers, especially the machine

<sup>6</sup> Robert M. Field, *op. cit.*, pp. 66–68.

<sup>7</sup> Li-Jen Shen, “Lun Chiakuai nungyehchishu kaitsao wenti” (On Promoting Transformation of Agricultural Technology), *Chingchi yenchiu* (Economic Research), 1960, No. 3.

building branch, was not able to lend much support to such more modern small industry. The withdrawal from China of Russian experts, together with their blueprints for new plants and machinery, and the Soviet decision to stop sending machinery and parts to these new plants greatly disrupted the normal functioning of the existing heavy industrial base. Three successive years of poor weather added to the disruptive effects of the first-stage introduction of the new commune system and the new experiment in peasant industry. A combination of these and other factors ultimately caused the Great Leap to end in economic crisis.

The period 1961–1966 saw the adoption of a new economic policy which was based on “agriculture as the foundation and industry as the leading factor.” Its focus was agricultural recovery and development; greater inputs from the modern industry were to be channeled into farm production. Consumer goods industries were, at least officially, accorded higher priority than producer goods branches, because consumer goods not only generate funds for the development of heavy industry but also provide incentives for the farm population. Essentially, this was a strategy of securing balanced growth in the economy. Within the heavy industry sector, the emphasis shifted to chemical fertilizers, irrigation pumps, piping farm implements and small power plants.

Because after 1960 the Soviet Union joined the United States in waging a cold war against China, economic self-sufficiency and self-reliance in technology became the urgent goal. Domestic industry, therefore, was also called upon to expand such industries as petroleum, electronics and advanced weapons. The machine-building industry expanded not only quantitatively but also in variety and quality. Thus during this period Chinese industry entered a new, crucial stage of development which is reflected by the impressive progress made in producing a whole range of new industrial goods and the near self-sufficiency in machinery production. The success in shifting industrial priorities to chemical and petroleum products reflects a newly acquired ability to apply “technical knowledge, skills and facilities to produce new machinery to meet the changing needs of productive activity.” This new ability puts China a few steps closer to a mature industrial technology society.

The policy for the period from 1967 to the present has been to continue the major elements of the industrial policy adopted since 1961. This period also covered the Great Cultural Revolution, which lasted from the latter part of 1966 to the early part of 1969.

Although the upheavals of the Cultural Revolution caused shortages and delays which adversely affected industrial production, the construction of new industrial projects, nevertheless, continued at a good rate in the inland area during the Cultural Revolution; the investment program in agriculture was also maintained at a high level. Therefore, the momentum of decentralization in industrial development and regional development in the hinterland did not slow down during the Cultural Revolution.

### SMALL INDUSTRIES

Since 1969, however, there has been a fresh development—a rapid expansion of the small industries in the countryside. Actually, in 1965–1968, the construction of small power plants, chemical fertilizer plants and agricultural machinery shops in rural areas began to expand. But since 1969, small factories that supplied materials and fuel to these three branches have mushroomed. The pace of construction and expansion of these small plants accelerated in 1970–1971. Thousands of these plants, in medium and small size, have been built or expanded in provincial and county centers.

These new small local industries in China have been organized with the emphasis on serving agriculture. They can be conveniently classified in three broad groups. The first group is “process industries,” which produce iron and steel, cement, chemical fertilizers, coal, electricity and machinery. It was reported in 1971 that half of China's counties<sup>8</sup> have built up a complete set of these small industries. The second group is the “farm machinery repair and manufacturing network,” consisting of units at county, commune and brigade levels. This three-level network generally repairs and manufactures at the county level, repairs and assembles at the commune level, and merely repairs at the brigade level.<sup>9</sup>

The third group of small industries consists of light industrial plants processing agricultural and side-line products such as canned fruits, soya sauce and flour. Plants or shops of larger size are more often operated by county level enterprise and those of smaller size are apt to be found within communes and brigades.

Thus the Chinese have tackled the problem of industrialization simultaneously on two fronts since around 1969. The old front was to expand large-size modern plants in the urban centers through regional development utilizing the spill-over tactic which, in turn, built new bases, large or medium in size, with the support of the established plants. The new front is the industrialization of rural areas, with the building of a system of integrated small industries. Therefore, the expanded modern inputs for agriculture are coming not only from large-scale modern enterprises which embody more or less advanced technology, but also in increasing extent from small local industrial

<sup>8</sup> “Local Industry in China,” *Peking Review*, September 24, 1971, pp. 9–11.

<sup>9</sup> “Following Chairman Mao's directives for the road forward of agricultural mechanization,” by writing group of the First Ministry of Industry, *People's Daily*, September 17, 1971.



enterprises which embody an intermediate technology—a technology which is much more primitive than the latest technology but is much more sophisticated than the traditional techniques employed by small installations during the Great Leap period.

The local plants built in recent years have several characteristics in common. They are built chiefly with local funds, labor and construction materials, although at least part of their equipment initially came from the most advanced equipment plants. Since they mainly serve a local agricultural area, their output can be made to dovetail with seasonal demands of farming and local needs. They utilize the skilled labor force and better educated youths sent out from the cities during the Cultural Revolution and benefit from the new school system which is overwhelmingly vocation-oriented. They incorporate the latest technology available in China for similar size and kind of plant as a result of a well established system of spreading the technology established at one plant to another within the same level or at a different level.

What benefits do the Chinese economic policymakers expect to gain from this program of small local industry? The policymakers apparently realize that under the prevailing technological capacity and the system of investment fund control, many local financial, human and material resources in China cannot be readily utilized in big modern plants embodying the latest technology. Instead of leaving these scattered resources in idleness or converting them into innumerable jerry-built mini-factories similar to those of the Great Leap period, resources should probably be converted into relatively more modern small factories for the production of utilitarian goods for the rural population as well as for agriculture as soon as China masters the intermediate technology. The production of small industry should be expected to supplement (for the most part) rather than to replace the output of big modern enterprises. Therefore, at the present stage of economic development this program would strengthen the Chinese economy in several ways.

First, the agricultural sector would obtain increasing supplies of useful, though low quality, chemical fertilizers, cement, machinery, and so on, with a minimum diversion of supporting resources from the modern core of the industrial sector. Because the program has a boosting effect on crop yield as well as light industrial output and has dovetailed with the development of larger industrial bases in inland areas, it speeds up the pace of modernization.

Second, since small industry serves mainly local rural areas and its output in goods and services could be made to dovetail with seasonal demand and local need, it would help to save a considerable amount of transportation investment expenses in a country with relatively poor transportation facilities; it would also

provide more satisfactory services to the local customers. A number of visitors to China in the past two or three years have noticed that local stores and shops, even in the isolated areas, seem to be fairly well stocked with utilitarian goods. The long line of shoppers waiting their turn, so often observed in the Soviet bloc, is visibly absent in China. Decentralization, made possible by a large number of local small factories and stores, is probably the chief reason for this improved supply situation.

Third, this program would create non-farm employment close to home for millions of farm youths coming out of the primary and middle schools. Local industry programs make it possible for many people to participate in decision-making as well as in the construction of small plants and allow them to get apprentice training in these plants. If the experience of the process of industrial development by the masses is the key to rapid modernization for an underdeveloped country, then small local industry in China definitely provides the experience to millions of rural people. Such educational fall-out will serve as a valuable stepping stone for raising the overall level of technology for local small industry in the foreseeable future.

Fourth, generally speaking, only a moderate amount of capital is required for a small plant; it is therefore within the means of the commune or county to finance such a venture. In addition, the construction (or gestation) period for a small plant is relatively short and the initial capital, especially for light industry, could normally be recovered within a comparatively short time. Thus from the standpoint of capital formation, considerable net benefits may be derived from the small industry program. Lastly, the development of small industry may also play an important role in fulfilling the policymakers' goals: promotion of (1) the desired geographical distribution of industrial facilities and (2) the development of technology and research appropriate to the varied conditions and resources of China.

Because China is still an underdeveloped country and has had a relatively short industrial history, the strengths of Chinese industry can best be judged in terms of the progress made in the industrial sector toward the fulfillment of China's overriding national goals considering her background: no standing long-term foreign debt, no foreign direct investment, no foreign long-term loan and technical aid since 1960, and subject to foreign embargo of high technology products, especially from the United States, until 1972. China has achieved a fairly rapid long-term annual growth rate in industrial production in the past 23 years and has accomplished the task of training and seasoning a fairly large industrial labor force, managers and technicians. Therefore, China has an effective modern industrial base which is strong



in basic industrial materials, heavy machinery and modern armament. She is currently designing and constructing nearly all her new industrial plants, large and small, and has achieved self-sufficiency in petroleum. With the natural resources adequate to support a major industrial economy, she can now rely predominantly on her own resources—technical, capital and natural—to expand her heavy and light industry. Essentially, China has acquired the capability for self-generating industrial growth.

In the area of modern armament, China's heavy industry is turning out a sizable number of jet aircrafts, submarines, tanks, intermediate-range missiles and nuclear warheads. This indicates that China not only has a diversified machine-building industry but also has made a breakthrough in the highly sophisticated technology associated with advanced weapon production. Despite the modern armament burden, China's heavy industry continues to send growing supplies of manufactured inputs to the farming sector, and the lot of the rank-and-file worker and peasant is steadily improving. Small local industry should get the credit for playing a valuable role in tackling the problem of supplying adequate manufactured products for both farming and consumers. In several respects, China now has a considerable lead over the average less developed nations.

### INDUSTRIAL WEAKNESS

Notwithstanding her progress, China's total GNP and her steel production is close to the French, although China's population is about 16 times as large as that of France. The weaknesses of China's industry would show up distinctly if we judge it by the standard of a major industrial nation. First, the technological base remains weak in a number of areas such as chemical, metallurgical, and oil refining equipment, ocean freighters, special steel, heavy-duty trucks, special-purpose vehicles and communication equipments. Continued imports of these products imply that domestic manufacturers are not able to provide needed equipment of the appropriate specifications and quantity. Second, at present the overall level of industrial technology in China is still 5 to 20 years behind that of advanced industrialized nations, although China has succeeded in reducing her gap relative to these nations during the past two decades. According to a Japanese study,<sup>10</sup> China's technological level is 15 years behind Japan in machine tools and steel, 10 years in hydraulic machines and chemical industry, and 20 years in automation.

Third, one of the weakest links in China's overall industrial development is her mass-production sys-

tem, which is at least 25 years behind the world level. This is explained by the brief industrial history of China and by the policy of regional self-sufficiency and decentralization. For example, the automotive industry in China consists of two dozen or more manufacturing and repair plants. Nearly every province has a plant capable of assembling and partially manufacturing several thousand vehicles a year. However, the largest plant turns out only 35,000 to 40,000 vehicles annually. It is important to note that the automotive industry in China, though primitive and small by an industrialized nation's standard, is not classified as a small industry. The Chinese industrial sector has apparently made more headway in areas that require highly sophisticated scientific know-how but need no mass-production (engineering and management) techniques. Thus there is a contrast between the relatively primitive production-line technique used in the automotive industry and the ability to produce third-generation computers and fissile uranium with gaseous diffusion techniques and to launch space satellites.

Fourth, in cases where appropriate precision, chemical purity or physical property is required, the manufactured products from small local industry would probably be inferior to those from modern large plants. In 1971, small local plants produced 60 per cent of China's total chemical fertilizer output, 40 per cent of the total cement output, a smaller but still considerable percentage of the total iron and coal. Taking chemical fertilizers as an example, most fertilizers produced by small plants are of low quality, such as aqua ammonia and ammonium bicarbonate, both low in nutrients. In addition, decomposition is a more serious problem when these products are exposed to weather or placed in storage. Although these products are no doubt helpful to crop yield, any large dependence on small plants implies a continuing inability to turn out sufficient equipment for larger chemical plants. The same interpretation may also apply to the metallurgy and cement industries.

Lastly, in order to overcome possible delay in the production schedule as a result of either shortages or unduly high cost of machinery and parts, even the large and medium plants often make some of the machinery and equipment needed in their own plants. Although this practice makes sense for the Chinese economy at the present stage of development, it indicates a lack of specialization on the plant level as well

(Continued on page 134)

<sup>10</sup> Takahashi, *Present State and Problematic Points of the Communist Chinese Economy*, China Affairs Division, Asia Bureau, Ministry of Foreign Affairs, Japan, December, 1968.

Kuan-I Chen has taught at Talledega College and Fairleigh Dickinson University. Among his various publications are *World Population Growth and Living Standard* (New York: Bookman Associates, 1960), and, as coauthor, *China and India: A Comparative Development* (New York: Free Press, 1971).

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*"To raise the growth rate of foodgrain from 2 per cent in the past 2 decades to 3.5 per cent in the coming 2 decades . . . requires a slowdown of industrialization and, more important, a considerable reduction in defense expenditures, a sector absorbing the lion's share of Chinese capital and technical manpower. Without such a reorientation . . . a rapid breakthrough in modernizing Chinese farming would be only illusory."*

## Food and Agricultural Problems in China

BY CHU-YUAN CHENG

*Associate Professor of Economics, Ball State University*

AFTER GOOD HARVESTS for several years and a record crop in 1971 (246 million tons of foodgrains) China's harvest of staple food dropped 4 per cent in 1972 to 236 million tons.<sup>1</sup> The country suffered a drought unparalleled for several decades. Consequently, Chinese wheat imports in 1973 doubled those of the previous year. Regional reports in recent months signal another bleak harvest. With a population now approaching 900 million, consecutive failures in harvest may cause serious problems in every aspect of Chinese economic and political life.

Ever since the inauguration of the new government in 1949, agriculture has been the Achilles' heel of the Chinese economy. Between 1952 and 1972, when industrial output grew at an annual rate of 8.9 per cent, agricultural production rose by an annual rate of 2 per cent. In the 23 years of Communist control, China enjoyed only 5 bumper crops (1952, 1955, 1958, 1967, and 1971); on the average, only one outstanding harvest every 4 years.

Performance of agriculture in China has been affected by two important factors: weather conditions and the government's policies toward the peasantry. Weather conditions have been irregular. There are frequent droughts in North China and floods in the South. Despite the gargantuan drive to improve water conservation, the country's fortune is still to a large extent at the mercy of nature. China owes the five bumper harvests mainly to excellent weather conditions. Statistics show that the country's economy

is under the profound impact of the harvest cycles.<sup>2</sup>

Since the agricultural crisis in 1959-1961, great efforts have been made to reduce the effects of nature's whims. Immense manpower has been invested in water conservancy works to control droughts and floods. Priority of investment has been directed toward industries supporting agriculture. Local resources have been concentrated on the development of stable, high-yield areas. These programs stimulated a quick recovery of agricultural output from the low levels of the crisis years.

However, the water conservation projects did not yield the expected results. The bulk of the constructed irrigation projects were small ponds, canals and reservoirs. Their capacity to store water was very limited, and they were unable to supply water in dry periods when the need for irrigation was greatest. Shallow wells, likewise, were inadequate because of the danger that indiscriminate pumping during periods of drought would lower the water table, rendering the wells inoperative.<sup>3</sup>

In 1972, China suffered a drought of seldom equalled severity. In Shansi Province in North China, rain fell only once between September, 1971, and July, 1972. The average rainfall was only 20 to 30 per cent of the yearly average. Most of the reservoirs dried up. In many places, even drinking water was in short supply. In the North China plain surrounding Peking, rainfall was 150 millimeters below average from spring through autumn. Hydrological data gave 1920 as the last time a drought of comparable magnitude hit the area.<sup>4</sup> The drought affected most parts of the country, including Szechwan Province, the rice bowl of China. During this worst drought in recent decades, only 9 out of the 26 provinces escaped natural calamities.<sup>5</sup>

The sharp drop in rice output, China's main staple

<sup>1</sup> New China News Agency (NCNA) Peking, December 30, 1972.

<sup>2</sup> Chu-yuan Cheng, "China's Economy in Flux," *Indiana Social Studies Quarterly*, Winter, 1972-1973, pp. 5-18.

<sup>3</sup> Radio of Changsha, Hunan Province, April 9, 1973.

<sup>4</sup> NCNA-Shihchinchuang, December 18, 1972.

<sup>5</sup> *Jen-min Jih-pao* (People's Daily), Peking, December 31, 1972, p. 1.

crop, was somewhat balanced by a good harvest of winter wheat, which was officially reported as 8 per cent larger than the 1971 crop.<sup>6</sup> Since wheat accounts for only one-fifth of the country's grain acreage, its moderate increase cannot reverse the adverse conditions in grain production.

When grain production was hard hit by drought, another major agricultural product, cotton, suffered from typhoons and storms as well as from insect pests. In East China, a major cotton-producing region, heavy rains amounting to 390 millimeters fell within a few days in the summer of 1972, and ruined most of the cotton, which was in the budding stage. In the Shanghai area, cotton was attacked by boll worms. Although officials admit that cotton output in 1972 was "only slightly below the 1971 level," provincial reports suggest that cotton production in 1972 was at least 10 per cent below the 2.1 million metric tons estimated for 1971.<sup>7</sup>

### THE CHANGING PRIORITIES

The 10-million-ton drop in grain output struck a severe blow to China's hopes of building a food reserve of one-year's consumption. The immediate impact appears to be less panic than that of the 1959-1961 crisis.

During the past few years, there has been a drive to diversify crops. Beginning in 1964, a new policy called for the sacrifice of grain production in North China where grain cannot stand up to droughts, floods, or insects, and the expansion of industrial crops that are suitable for local conditions. The new policy seems to have paid off in the last year. While staple food has suffered a decline, vegetables, fruits, sugar cane, tobacco, and livestock have achieved continuous advance, thus supplementing the staples.

Vegetable production was greatly expanded throughout the whole country. On the outskirts of Peking, Shanghai and Shenyang, record harvests of vegetables insured an ample supply for the cities.<sup>8</sup>

Animal husbandry in China's grasslands also achieved progress. There was a 7.2 per cent rise in the number of livestock in Sinkiang,<sup>9</sup> a 3.9 per cent increase in Chinghai,<sup>10</sup> and a 3.9 per cent increase in

Kirin.<sup>11</sup> In Inner Mongolia, another major animal husbandry area in China, the number of young animals born in 1972 was reported as exceeding the total number of animals in the early post-1949 days by nearly one million heads.<sup>12</sup>

The increase of non-staples helps to relieve the pressure on the demand for staple foods. Another factor which helps to stabilize peasant income is the development of small industries in the countryside. The revival of the "walking on two legs" policy in recent years has resulted in the building of tens of thousands of small iron and steel plants, small hydro-electric stations, small chemical fertilizer plants, small cement plants and agricultural machinery plants.<sup>13</sup> In some areas, income derived from these small industries represented 20 per cent of peasant annual income.<sup>14</sup>

Expansion of industrial crops and small industries, however, constitutes a constraint on foodgrain output. Since the total area of cultivated land in China has remained almost constant in the past decade, cotton vies with foodgrain for land, manure and labor. The contradiction between grain-growing and cotton-growing has become so keen that the central authorities in recent months have continuously propagandized the policy "taking grain as the key link." To most local cadres, expansions of cotton and of grains are inevitably mutually exclusive. With the limitations of cultivated land, there is no way to develop both simultaneously.<sup>15</sup>

The building of the millions of small plants and workshops has also competed with agricultural production for labor and capital. As small industry has become more profitable, many local cadres have diverted a significant portion of manpower and capital from agriculture to small industries. Consequently, peasant interest in water conservation work has considerably subsided. In the past, peasants were mobilized to engage in water works without compensation. In recent years, peasants have been refusing to labor on water conservancy works if they get no remuneration.<sup>16</sup>

The changing priorities thus produce mixed blessings. On the one hand, they have helped to diversify agriculture production and stabilize peasant income. On the other hand, they have diverted land, labor and capital from foodgrain production to economic crops; sideline activities have thus impeded the expansion of food production.

### POPULATION GROWTH AND FOOD AVAILABILITY

The impact of the foodgrain fall-short in 1972 and 1973 was aggravated by the continuous growth of population in China. Up to the present, the size of Chinese population is still a subject of intelligent guess, even to Chinese leaders. For example, Vice

<sup>6</sup> NCNA, January 27, 1973.

<sup>7</sup> *Current Scene*, Hong Kong, Vol. XI, No. 5, May, 1973, p. 11.

<sup>8</sup> NCNA-Peking, November 11, 1972.

<sup>9</sup> NCNA-Urumchi, November 10, 1972.

<sup>10</sup> NCNA-Sining, October 17, 1972.

<sup>11</sup> NCNA-Changchun, November 18, 1972.

<sup>12</sup> NCNA-Huohhot, November 13, 1972.

<sup>13</sup> Chu-vuan Cheng, "China's Industry: Advances and Dilemma," *Current History*, September, 1971, pp. 154-55.

<sup>14</sup> *Ten-min Jih-pao*, September 23, 1973.

<sup>15</sup> *Ten-min Jih-pao*, January 15, 1973, and NCNA-Shanghai, February 1, 1973.

<sup>16</sup> *China News Analysis*, Hong Kong, February 2, 1973, p. 2.

Premier Li Hsien-nien commented in December, 1971, on the unreliability of China's population data. He said:

Some people estimate the population at 800 million and some at 750 million. Unfortunately, there are no accurate statistics in this connection. Nevertheless, the officials at the supply and grain department are saying confidently, "the number is 800 million people." Officials outside the department say the population is "750 million only" while the Ministry of Commerce affirms that "the number is 830 million."<sup>17</sup>

On May 5, 1973, a major Chinese Communist newspaper in Hong Kong, the *New Evening Post*, published an Associated Press dispatch from Washington, D.C., in which an American senator, who recently visited China and now serves on the Senate Population Crisis Committee, was quoted as saying that "according to Chinese statistics, the 800 million Chinese population increased annually by only 1.9 per cent, about 15 million." There is reason to believe that these 2 figures (800 million and the 1.9 per cent growth rate) were supplied officially to the American senator by Chinese authorities. This growth rate of 1.9 per cent, if accurate, marks an improvement of only 0.3 percentage points in 20 years. On June 30, 1953, China conducted her first national census. The result shows that the population was increasing at an annual rate of 2.2 per cent (net). In the past decade, the official statement of the population growth rate has always been "around 2 per cent."<sup>18</sup>

With the relatively reliable 1957 population figures as a basis and assuming that the rate of growth has been merely 1.9 per cent all the way since 1958, the size of Chinese population, foodgrain outputs, and per capita output can be calculated and summarized in Table 1.

According to Table 1, the per capita foodgrain figure for 1972 was 11 kilograms below that of 1957. Even the record 1971 grain harvest only provided 6 kilograms more per head than the harvest in 1957, indicating that Chinese grain output on a per capita basis has been stagnant during the past 15 years.

The per capita figures in Table 1 stand only for unhusked rice and unmilled wheat. The actual amount of food available for consumption is much less than the foodgrain production figures. Accord-

TABLE 1

**China: Population, Foodgrain Output and Per Capita Foodgrain Output in Selective Years**

Year	Foodgrain Output (million tons)	Population (million persons)	Per Capita Output (kilograms)
1957	185	646	286
1970	240	826	291
1971	246	842	292
1972	236	858	275

Source: *China News Summary*, Hong Kong, May 17, 1973, pp. 3-4. The population figure for 1957 was officially given in the 1960 *People's Handbook*, Peking. The 1970-72 population figures are derived from 1957 with a 1.9% growth rate for subsequent years.

On May 16, 1973, the United Nations' *Monthly Bulletin* gave Chinese population in mid-1972 as 800,720,000 compared with 787,180,000 in mid-1971.

The foodgrain output figures are all official data.

ing to an official report, 1.4 tons of rice produce one ton of edible rice.<sup>19</sup> In 1957, a prominent Chinese economist and the former President of Peking University, Professor Ma Yen-chu, estimated that, of the total food output, 6 per cent must be allocated for seed, 5 per cent for pig food, 8 per cent for draft animal fodder, 26 per cent allowance for milling losses. In all, 45 per cent must be deducted to obtain the amount that could reach the consumer. From this amount, further deductions must be made for grain used in industry and for exports. The maximum amount of food left for the consumer is thus only 50-55 per cent of the official grain production figures.<sup>20</sup>

If we follow the estimates proposed by Professor Ma, of the 1972 officially announced output of 236 million tons, the actual amount of food for the consumer was not more than 118 million tons, which comes to 138 kilograms per capita per year. On a monthly basis, this would amount to only 11.5 kilograms per capita, a figure barely enough for subsistence. Had there been no increase in non-staple foods in recent years, the consumption level would be severely affected.

Aware of the small margin between production and consumption, in the past few years the Chinese authorities have taken measures to build up a food reserve stored by the state at every administrative level. The target is to conserve foodgrain for one year's consumption. It is hoped that once the reserve is established, it will serve as a "cushion," thus freeing the national economy from the effect of harvest cycles. By the end of 1970, however, the food reserve in China amounted to only 40 million tons.<sup>21</sup> This is sufficient only for one-fifth of a year's consumption. According to a recent interview with Chou En-lai, the 1972 crop failure has forced China to draw on the foodgrain reserves.<sup>22</sup> Reportedly, food reserves have also been built in communes, brigades and individual

<sup>17</sup> Foreign Broadcast Information Service, *Daily Report*, People's Republic of China, December 10, 1971, p. A-8.

<sup>18</sup> The recent statement was made by Chi Lung, Chinese delegate to the United Nations ECAFE session held in April, 1973, in Tokyo, in which Chi also gave a two per cent growth rate. (NCNA-Peking, April 6, 1973).

<sup>19</sup> *Jen-min Jih-pao*, March 6, 1963, p. 2.

<sup>20</sup> *China News Analysis*, Hong Kong, No. 895, October 20, 1972, p. 2.

<sup>21</sup> Chou En-lai's interview with Edgar Snow. See Foreign Broadcast Information Service, *Daily Report*: Communist China, March 25, 1971, p. B-7.

<sup>22</sup> *Ta-Kung-pao*, Hong Kong, May 14, 1973.



peasant households. The amount, however, is difficult to determine. During the past year, an intensive campaign has been waged to persuade the peasants to minimize their own consumption. Everyone in China has been told "to save a mouthful of rice each day," to insure that the maximum amount can be released for urban consumption and to supplement existing reserves against the threat of a poor harvest in 1973.

The campaign for food reserves, however, encounters numerous difficulties. Excessive reserves on a household or brigade level could affect the state procurement plan. Moreover, food reserves require the building of millions of granaries to avoid spoilage. Also, the peasants seem to suspect that once the grain is transferred to the brigade granaries, they will lose control of this valuable asset. These and other problems render the boosting of grain reserves an extremely complicated task for the government.

To insure food supplies for urban areas in the north, China has stepped up her wheat purchases from abroad. Large-scale food imports started in 1961. Between 1961 and 1966, China imported, on average, 5.5 million tons of wheat per year. During the same period, she exported about 700,000 tons of rice per year. Imports of foodgrain shrank steadily to 4 million tons in 1969 and 3.2 million tons in 1972. The crop failure in 1972 forced China to increase her import of wheat to 6 million tons in 1973, almost doubling the total of the previous year.

The continuous purchase of foreign wheat between 1965 and 1971, when Chinese food output registered steady improvement, has been a puzzle for outside observers. Two explanations were offered by Western economists. One is that Chinese purchases of wheat have usually been offset by sales of rice. The price differential for the two grains makes rice exports against wheat imports attractive.<sup>23</sup> This explanation cannot fully account for the puzzle, for the amount of wheat imported far exceeded the quantity of rice exported.

The second explanation holds that the development of the North China plain, which represents about 20 per cent of the cultivated land in China, has lagged behind the rest of the country. Production of grain for the country as a whole has doubled between 1949 and 1970, whereas production in the Yellow River Basin was only 1.79 times that of 1949.<sup>24</sup> Because of the low yields in the North China plain and the inability to improve conditions significantly in the

short run, the Chinese authorities decided to sacrifice grain production in this region and to shift to the planting of industrial crops. Imported wheat thus became a substitute for local production to feed the population of the major urban areas in North China.<sup>25</sup> The steady decline of cotton imports since 1968 lends support to this explanation. With this policy, imports of wheat from abroad may become a long-term practice instead of a short-run measure.

Imports of cotton have also increased in recent months. Western sources indicate that China has bought half a million bales of cotton worth about \$80 million from the United States to make up her loss.

### THE LONG-TERM OUTLOOK

After a decade of slow but steady progress (1962–1971), Chinese agriculture is now less vulnerable to tragic famine. With the existing food reserves, the current crop failure is not expected to shake the foundations of the national economy. The 10-million-ton drop in grain output, however, does illustrate a problem Peking has long been studying. China still has a long way to go before the effects of nature's whims do not loom as large as they do in farm production. The grain decline underlies the country's urgent need to modernize her farming, not merely to change institutions, but also to advance in technology.

In May, 1973, Premier Chou En-lai told the visiting Norwegian foreign minister of China's intention to double her yearly output of foodgrain to 500 million tons in 20 years.<sup>26</sup> Chou was reported to be emphasizing the importance of birth control, saying that the doubling of foodgrain output would be meaningless if the population also doubled. Chou's new statement touched the crucial point of Chinese food problems in the long run—a competition between the growth of foodgrains and the growth of population, the Malthusian trap.

Regardless of which set of population estimates is adopted, it is indisputable that, in 1972, Chinese population exceeded the 800-million mark. During the 20 years between 1952 and 1972, Chinese foodgrain output rose from 154.4 million tons to 236 million tons, an increase of 53 per cent, representing an annual growth of 2.2 per cent. The growth of food-

(Continued on page 134)

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**Chu-yuan Cheng** was formerly Senior Research Economist at the Center for Chinese Studies at the University of Michigan (1964–1970). His books include *Economic Relations between Peking and Moscow* (New York: Praeger, 1964), *Scientific and Engineering Manpower in Communist China* (Washington, D.C.: National Science Foundation, 1966), and *The Machine-Building Industry in Communist China* (Chicago: Aldine-Atherton, 1971), and many

<sup>23</sup> *Far Eastern Economic Review*, Hong Kong, December 23, 1972, p. 29.

<sup>24</sup> Huang Chen, "Conquering the Yellow River," *Peking Review*, No. 42, 1971, p. 9.

<sup>25</sup> Robert M. Field, "Chinese Agriculture in the 1970's" (a paper presented to the 25th annual meeting of the Association for Asian Studies).

<sup>26</sup> *China News Summary*, Hong Kong, May 17, 1973, p. 1.

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*"Day in and day out, in season and out of season, at work and at play, in school and outside, the young—and adults, too—are subjected to an all-embracing and never-ceasing barrage of messages transmitted by mouth and by written word, by pictures and by a wide variety of audio-visual mass media, all planned and coordinated to achieve the same purpose of molding the new man. This is, indeed, a bold and imaginative program of education."*

# The Revolutionary Character of Maoist Education

BY THEODORE H. E. CHEN

*Professor of International Education, University of Southern California*

CHINA IS A LAND of revolution. It is the land of Maoism, which teaches the doctrine of continued revolution, or what Marx and Engels called "permanent revolution." Progress comes from never-ending struggle, from one revolution after another, and the only guarantee of success is to keep the revolutionary spirit alive and always at a high pitch. To foster and maintain this revolutionary spirit and to bring up generations of "successors to the proletarian revolution" full of fiery devotion to the revolutionary cause is the central task of education in China.

Of all the revolutionary changes that have taken place under Communist rule in China, none is more radical and more fundamental than Maoist education. Maoist education is revolutionary because it is specifically designed to perpetuate the revolution as conceived by Chairman Mao Tse-tung and his followers, and because it aims to produce a "new type of man," a selfless man who is wholeheartedly dedicated to the proletarian cause and who has no personal plans, desires or ambitions except to be a faithful follower of Chairman Mao and the Chinese Communist party.

The Maoist education in effect today is a program that emerged from the convulsive Cultural Revolution that rocked the nation and threatened the stability of the regime in the late 1960's. It is radically different, of course, from education in the West or in any other non-Communist country. It even rejects the educational reform of the first decade of the regime.

On October 1, 1951, the new regime promulgated a new school system which claimed to have eliminated

the most glaring defects of the Kuomintang schools which had been patterned after the models of the capitalist countries. It was supposed to reflect the nature of socialist production and the needs of socialist and Communist reconstruction. It stressed the education of workers and peasants and introduced various forms of "spare-time education" for the benefit of the adult population. From the Maoist point of view, however, it did not go far enough. It was, at best, mild educational reform; what Mao demanded was an educational revolution.<sup>1</sup>

In the Maoist view, no amount of patchwork reform could change the bourgeois philosophy of education to meet the needs of the proletariat. Nothing short of a fresh start would suffice. This was made possible by the Cultural Revolution. At the peak of the Cultural Revolution, an order was issued in June, 1966, to suspend the work of institutions of higher learning for the purpose of "completely transforming China's educational system." Though the original order was directed primarily against higher education, all schools and universities were closed in 1966. This educational blackout was indeed a revolutionary measure. It signified a determination to make a clean break with the past and with all other models of education in order to map out a new program tailored for the proletarian revolution under the leadership of the Maoist Communists.

By the spring of 1967, the authorities decided that the schools should be reopened. The Cultural Revolution had proved to be too disruptive, and it was necessary to remove the Red Guards from the streets and restrain their indiscriminate attacks on those they identified as anti-proletarian. The idea of enlisting activist youth in revolutionary activities was not abandoned, but the new policy was to put the activities under control. Youth was therefore to return to the schools to "resume classes and wage revolution."

<sup>1</sup> Previous articles on Chinese education by Mr. Chen appeared in *Current History*, July, 1950; December, 1950; June, 1952; January, 1957; September, 1961; September, 1965.

It was not so easy, however, to get the educational system going again. Schools were slow in compliance and, throughout 1967 and 1968, the government repeatedly issued new orders to stop the youth from concentrating in cities and traveling from one place to another to engage in demonstrations, rallies and unapproved activities. But teachers who had been attacked as reactionary bourgeois scholars were hesitant to return to the schools to confront the militant youth who had cursed and humiliated them. Students had so enjoyed the freedom of roaming from one city to another, with the privilege of free travel on trains and free boarding in urban centers, that they had little desire to return to a sedate life within school walls. To be sure, they were told they could continue to "wage revolution." But they were sure that waging revolution in schools under supervision would not be so exhilarating as the unchallenged authority they had enjoyed as Red Guards and as the vanguard of revolutionary youth.

Compliance with the order to reopen the schools was slow and uneven through 1967 and 1968. In general, primary schools were reopened before secondary schools. The universities did not admit their first classes until the fall of 1970; many waited a year or two later. The reopening of the schools did not mean settling down to a stable program. There were no clear directives for curriculum and administration. The old system had to be scrapped, but the new had not been promulgated. Teachers and administrators were afraid to take any initiative for fear of courting new attacks. To make the situation worse, school buildings were in disrepair; equipment and furniture had been damaged or lost.

The broad guidelines for the new revolutionary education were furnished by Mao Tse-tung's various directives. Many of them were terse statements of the philosophy and objectives of education; others dealt with specific subjects, such as examinations and marks. They had to be translated into curricular and classroom practices. Wary of mistakes, teachers and local authorities prefer to wait until the party leadership or some recognized authority gives the signal. In view of the fact that some workable program is urgently needed for the reopened schools, the current trend is to encourage trial-and-error experimentation with teaching materials and methods, so long as experiments do not violate Mao's directives or the general guidelines of the educational revolution.

### MAO'S EDUCATIONAL IDEAS

Mao Tse-tung's specific ideas on education may be briefly summarized. Education must serve politics and economics. Proletarian politics requires the acceptance of the Marxist-Leninist ideology as interpreted by Mao Tse-tung, or what is now known as the Thought of Mao Tse-tung. The central concept

of this ideology is the class struggle, and "class education" must be an essential part of all educational programs from technical training to adult education. The central purpose of education is to produce revolutionaries of unflagging ideological fervor and unquestionable political loyalty. At the same time, the educated youth must possess the knowledge and skills for various kinds of production and "socialist construction." This two-fold competency is the meaning of the term "Red expert."

The task of education is to raise the political consciousness and vocational ability of the masses, not to produce an intellectual elite. Any form of elitist education is shunned. Since workers, peasants and soldiers constitute the core of the revolutionary masses, all educational programs must be planned for their benefit. Education must meet the concrete and immediate needs of politics and production and is no longer concerned with the elite; consequently, the lower schools do not try to prepare students for further study. As a matter of fact, a prolonged period of study is undesirable; young people are taught that it is their glorious duty to join the production front rather than to seek further study.

Mao's theory of the unity of theory and action is especially applicable to education. Theory, he maintains, is valid only when it is tested in action, and knowledge is useless unless it is applied to practice. There is no place for knowledge for its own sake. Mao has used strong language to denounce book knowledge not directly linked with practice. Too much study, he says, may be harmful. Education should be combined with production to integrate study with practice. To this end, schools and universities should establish farms, factories and business enterprises on their campuses, or establish close links with production enterprises outside. At the same time, farms, factories and business enterprises should establish schools and universities on their own grounds. Thus, schools and universities become centers of production as well as centers of learning, while the production units become centers of learning as well as centers of production. Students alternate between work and study. What they study is supposed to be directly related to their production work.

Production means the use of hands in labor. Labor occupies a prominent place in the Communist ideology. Labor, it is said, created man. The original Marxist revolution was meant to be the revolution of the working class. The Chinese Communists added the peasants to form the worker-peasant alliance. The peasants, workers and soldiers constitute the laboring masses and the core of the proletariat. Intellectuals must be reformed by labor in order to identify themselves with the laboring masses.

The Communist ideology tries to bridge the gap

between intellectual and manual labor. The work-study program makes possible the integration of intellectual and manual work. According to Maoist theory, intellectuals become proletarians by engaging in labor, while the laboring class is elevated to the level of proletarian intellectuals by virtue of new opportunities for study. The elite type of intellectuals will disappear from proletarian society.

This revolutionary approach would not be possible if education were controlled and administered by "bourgeois scholars" or intellectuals brought up in the old system of education. A prerequisite of the educational revolution, therefore, is the termination of the dominant influence of "bourgeois intellectuals" in education. In demanding that "old-style intellectuals" be remolded and transformed into new men, Mao Tse-tung has frequently ridiculed them as bourgeois scholars who set themselves apart from the masses and whose book knowledge is of no use to either politics or production. The "professional educators" have been divested of their leading role in education. The new leaders who determine the aims and methods of education are to come from the masses, from those in the thick of the class (political) struggle and the struggle for production.

### THE SCHOOL SYSTEM

The schools that grow out of this theory are actually in the process of the experimental implementation of Mao's ideas. Some general characteristics are evident. One of Mao's specific instructions is that the period of schooling must be shortened and courses of study must be reduced in number and simplified in content. Primary education has been reduced from six to five years, and secondary education from six to four years. There are two levels of secondary education: two years of junior middle school and two years of senior middle school. Institutions of higher learning offer shortened courses ranging from a few months to two or three years.

Actually, such a system is still a goal to be attained. Universal primary education is the intention of the government, but it is only a hope at present. In many areas, abbreviated primary schools offering courses of one or two or three years are the most that present financial resources can support. Moreover, there is no clear provision for the articulation of schools at different levels, and no commonly understood standards of achievement that may serve as criteria for the advance from one level to another. Consequently, the Western concept of a school system consisting of graded levels of schools forming an "educational ladder" is hardly applicable. Inasmuch

as continuation of study after the basic levels is not important from the Maoist point of view, it may be argued that it is immaterial whether the schools at any one level fit into those at a higher level. The more relevant question is whether the schools serve the immediate needs of politics and economics.

A student's achievement is evaluated in terms of his political and ideological commitment and his ability to contribute to production. School studies are valuable to the extent that they advance the political-ideological consciousness and the productive ability of the students. Literature and art, for example, should strengthen the will to carry on the class struggle and to work for the revolutionary cause; any form of literature and art that tends to stimulate ideas and emotions not compatible with the revolutionary spirit is severely condemned and resolutely rejected. Art for its own sake is as indefensible as knowledge for its own sake.

The schools put "politics in command" and political education in the center of their program. Political education consists of the study and re-study of the writings and speeches of Mao Tse-tung and the selected works of Marxism-Leninism. Mao's "Three Great Treatises"<sup>2</sup> are read and re-read in schools at all levels and in study groups outside the schools. Students are taught to uphold "The Thought of Mao Tse-tung" as the guide to action in all realms of life. Ideological remolding, says Mao, is the ultimate purpose of everything that the school does. Ideological remolding and political education are inseparable; as a matter of fact, the terms are used interchangeably. Ideological and political education includes the study of current events and official documents of the party-state setting forth current policy with regard to domestic affairs and foreign relations. After the ninth national congress of the Chinese Communist party in 1969, the resolutions and declarations of the congress became important materials for study and discussion in schools and universities.

Study alone, however, is not enough. It must be reinforced by action. Students and teachers must participate actively in various forms of "revolutionary action." These include the "mass campaigns" which the entire population is expected to support. Different campaigns are promoted at different times by the party-state. In the last few years, the entire nation has been asked to support and take part in the "three great revolutionary movements," namely, class struggle, production and scientific experiment. In addition, one of Mao's directives specifies that students and teachers must carry on continuous criticism of the bourgeoisie. At the same time, although the Cultural Revolution is supposed to have been phased out, the schools are asked to continue to attack the revisionists and revisionist ideas which were targets of the Cultural Revolution.

<sup>2</sup> These are three short articles written at different times: "In Memory of Norman Bethune" (1939), "Serve the People" (1944), and "The Foolish Man Who Moved the Mountains" (1945).



"Class education" and "line education" are much discussed. The former refers to studies and activities to keep alive a high level of class consciousness and the realization that continued class struggle is essential. Line education refers to the "struggle between two lines," namely, the Maoist line and the anti-Maoist line. In classes and in discussion meetings, students and teachers identify the ideas and attitudes attributable to the bourgeois and revisionist line, and they learn to draw sharp contrasts between the anti-Maoist line and the Maoist line.

There are many forms of "class education." A major method constantly used in schools and outside is the recollection of past miseries, contrasting the evils of the "old society" with the blessings and happiness of society under Communist rule. Poor peasants and workers tell vivid stories of exploitation by rapacious landlords and exploitative capitalists. They are invited to lecture in schools and universities to tell about their "bitter past." It is pointed out that young people today often fail to appreciate the present because they do not realize how much better off they are than those who lived in the old society.

Class education is woven into the teaching of school subjects other than politics and ideology. History teaches about the evils of the old society which was dominated by feudalism and imperialism. In arithmetic, students are asked to calculate the amount of grain the poor peasants had to produce for oppressive landlords and how much interest they had to pay at the exorbitant rate charged by usurious moneylenders. Even in technical subjects in the fields of agriculture and industry, lessons are full of the directives of Chairman Mao and criticism of the revisionist theories of farming and economic development.

The Communist program of education extends far beyond the classroom. Extra-curricular activities in school and outside, during after-school hours and holidays and vacations, are planned in such a way that they reinforce what the school and the classroom attempt to do. All available resources are utilized. The cinema, the museum, the stage, the library, the exhibits and so on are recognized as powerful educational agencies which mold the thought and attitudes of youth.

Just as the school is not the only educational agency, so the teachers are not the only molders of mind. The family, the production enterprises, the youth organizations, the communes, the factories and, above all, the Communist party branches everywhere all have educational functions and they are brought together as partners in a common effort to teach and guide the young. All of them are expected to take time to perform their educational functions consciously and regularly. Neither the factory nor the farm organization can offer the alibi of being too busy. Education is part of their business; it is everybody's

business, and the party-state provides the needed coordination and overall direction.

The whole society educates; education is co-extensive with life. Under the leadership of the party organizations and government agencies, parents, teachers and representatives of communes and factories meet in conferences to plan activities to occupy young people during all their waking hours. Current educational literature criticizes such "bourgeois ideas" as recreation for its own sake, or leisure reading. There is a campaign against "bad books," and lists of reading materials are carefully prepared to insure that outside the classroom the youthful minds continue to be nurtured in the Thought of Mao Tse-tung and the ideals of the proletarian revolution.

At the approach of a holiday or a vacation, special plans are made to engage the young in constructive revolutionary activities. Students are organized into propaganda teams to go to the villages and the streets to publicize government policies or Chairman Mao's instructions. They sing revolutionary songs and write revolutionary plays. They attend more classes and discussion groups for ideological study. They engage in sports, but not for recreation only. They are taught to keep constantly in mind the revolutionary significance of all their activities. Just as the table tennis players credit their successful performance to the ideological inspiration and motivation derived from their study of the Thought of Mao, so all extra-curricular activities are guided by the political and ideological objectives that govern the entire educational program.

Education aims to produce "the new man," a selfless person with one absorbing interest and ambition, namely, to serve the revolution under the leadership of Chairman Mao and the Chinese Communist party. Visitors to China have reported that when they talk with young people in schools or in factories or on farms and ask them about their future plans, the ready answer is, invariably, "we will serve the revolution and go wherever Chairman Mao and the Communist party want us to go." Day in and day out, in season and out of season, at work and at play, in school and outside, the young—and adults, too—are subjected to an all-embracing and never-ceasing barrage of messages transmitted by mouth and by written word, by pictures and by a wide variety of audiovisual mass media, all planned and coordinated to achieve the same purpose of molding the new man. This is, indeed, a bold and imaginative program of education.

## THE NEW SCHOOLS

There are three types of schools in China today: the full-time school, the work-study school and the spare-time school. Spare-time education has proved to be a useful vehicle of adult education. By organ-

izing classes or study sessions which meet in after-work hours or during lax agricultural seasons, it extends educational opportunity without interfering with work and production. Some spare-time programs are designed to reduce illiteracy, others to increase vocational skills and knowledge, still others primarily for political and ideological study. No program, however, fails to provide a prominent place for political and ideological education. From the literacy classes to the spare-time technical schools, the Thought of Mao Tse-tung and the leadership of the Communist party are constant themes in every phase of study.

For young people, the work-study school is the major type of school. The school where students devote full-time to study is a rare type, reserved for special programs. Even in such schools, students and teachers are expected to engage in labor during certain periods of the year. Politics and ideology, of course, are never absent from any program. School programs are initiated to meet immediate needs and are modified or dropped when the needs change or can be better met in other ways. There are short-term courses designed to produce trained personnel in the shortest time possible. Once the need has been met, the programs are dropped. For example, special courses have been set up to train bookkeepers for the communes or teachers for the primary schools or repairmen for farm machinery. The courses may be completed in a few weeks or months. They are in line with Mao Tse-tung's directive that the period of schooling should be shortened and courses of study should be fewer and simpler. There are no fads or frills. The curriculum consists of only the most essential knowledge and skills and the indispensable ideological indoctrination.

A new major type of school that has become a symbol of the educational revolution is the "May 7 cadre school," so called because its establishment and rapid growth followed Mao Tse-tung's "May 7 Directive." On May 7, 1966, in a letter to Lin Piao, then his trusted lieutenant and heir apparent, Mao said that students should learn industrial work, farming and military affairs. The school term should be shortened and the domination of the schools by bourgeois intellectuals should be terminated. The "May 7 Directive" has become a major document of the educational revolution, and on May 7 of each year the anniversary of the directive is an occasion for renewed emphasis on educational changes to conform with Mao's ideas.

The May 7 schools are established in the countryside or mountain areas, where cadres, students, and intellectuals are sent to be "tempered" physically and ideologically. Political study and productive labor are the dominant features of the program. Both are directed toward ideological remodeling, which is sup-

posed to "transform" the outlook and attitudes and style of living in such a way that students become "new men," fully dedicated to the revolution.

Students work on farms and develop wasteland areas. They build their own classrooms and dormitories and plant crops for self-support. They live a rugged life with little or no material comfort; self-reliance is the keynote. Cadres from the cities are sent to the May 7 cadre schools in rotation for periods of six months to one or two years. Some are sent back for retraining if, after returning to their work in the cities, they are found to have lapsed into previous ways of bourgeois living and thinking.

Intellectuals are sent to the May 7 schools for remodeling. The length of their schooling varies according to circumstances, depending on the success of remodeling. Some are sent from schools and universities and government offices in rotation, in the same manner as cadres. Others who have had ideological problems and difficulties in rendering whole-hearted service to the proletarian revolution are kept in the schools for a longer, sometimes indefinite, period of time. All engage in strenuous, exhausting physical labor and concentrated study of Leninism-Marxism and the Thought of Mao Tse-tung.

A word should be said about the universities. They have also undergone radical transformation. As in the lower schools, learning must be practical and thoroughly permeated with politics and ideology to make sure that the products of education will be both Red and expert. The new-style students are workers, peasants and soldiers who have distinguished themselves in political work and in production. No academic credentials are required for admission; no entrance examination are given. Academic degrees have been abolished. The students are selected and recommended by their production units or by the army with the approval of the local Communist party organizations. They may be weak in academic qualifications, but they are strong in their artless ideological devotion and their single-minded loyalty to Chairman Mao and the Chinese Communist party.

Scholarship standards are ignored. Academic excellence is regarded as a bourgeois ruse for keeping the masses out of schools and universities. Quality education is only a guise for elitism. Proletarian education has its own standards of achievement. They are to be found in production and revolutionary practice.

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**Theodore H. E. Chen** is director of the Asian-Slavic Studies Center at the University of Southern California. He is the author of *Thought Reform of the Chinese Intellectuals* (Hong Kong, 1960), *Teacher Training in Communist China* (Washington, D.C.: U.S. Office of Education, 1960) and many articles in

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*"It could be that the leadership that has led China for several decades will become less dynamic and less committed to achieving both modernization and revolution in the future."*

## In the Wake of the Cultural Revolution

BY MERLE GOLDMAN

*Associate Professor of History, Boston University*

AS THE RADICALISM of the Cultural Revolution played itself out in the early 1970's, China's leaders turned to more pragmatic policies at home as well as abroad. As in past campaigns, a surge of revolutionary fervor was followed by a period of moderation. Yet the cycle this time may assume a different form.

The task in this phase of consolidation is even more formidable than in the period following the Great Leap Forward. Even though the economy had suffered serious disruption during the Great Leap Forward, the political system was only minimally disturbed. By contrast, while the economy during the Cultural Revolution was not so severely affected, the Chinese Communist party organization, particularly at the higher levels, was decimated. The army, which became an instrument of Maoist organization under its leader Lin Piao, filled the leadership vacuum in 1967 but immediately came into conflict with deposed party officials and Red Guard groups. The result was political chaos at all levels of government.

Thus, as the Cultural Revolution receded, the two major tasks that faced the regime were to resurrect the party and to withdraw the army from the political system. Though obviously sanctioned, if not decreed, by party Chairman Mao Tse-tung, these tasks are being carried out under the guidance of Premier Chou En-lai. At first slow and cautious, Chou's efforts accelerated by the spring of 1973.

Official directives refer to the *chung-yang*, the center, as the focus of authority. Who represents the center and to what level of officialdom does it pertain? Is it Mao, Chou En-lai, the Standing Committee of the Politburo, or merely the Cabinet? The ambiguity about who and what is *chung-yang* most likely reflects actual confusion at the top. Power relations in the political hierarchy appear to be still in a state of uncertainty.

A major reason for the difficulty in reestablishing

political authority in the wake of the Cultural Revolution is that the regime's attempts to resurrect the party came into conflict with the army under Lin Piao. Ever since the mid-1960's, when Lin Piao molded the army into a political base which gave Mao the power to attack the party, Lin Piao had come to dominate the Chinese political scene. By 1966, Lin Piao had become Mao's "closest comrade in arms" and in 1969 he was designated as Mao's successor. At the conclusion of the Cultural Revolution in the late 1960's, Lin Piao and his followers appeared to be in control of China's political system.

Maoist dictum may state that power grows out of the barrel of a gun, but a corollary to that is that the party's finger must be on the trigger. An unswerving Maoist principle has been civilian control. Consequently, the party was reestablished not only to rehabilitate the Communist party, but to prevent Lin Piao and his followers from a military takeover. Members of the reemerging party were to replace military men in the entrenched political positions they had gained during the Cultural Revolution. Local army commanders were ordered to subject themselves to the control of the nearest party branch. In neat Confucian phrases, the regime declared: "Power back to the government, the army back to the barracks." Very gradually, Mao and Chou En-lai whittled away at Lin Piao's power.

It is not clear exactly how Lin Piao responded to these moves, but from the documents circulated in China for study by party cadres after Lin Piao's death, it appears that Mao's efforts to curb Lin Piao and the willingness of other military commanders to support Mao in this endeavor led Lin Piao and his followers to the desperate act of planning a military coup in 1971. They planned to dispose of Mao and civilian rule before Mao disposed of them. The documents quoted a member of the Lin Piao group as advising: "Instead of waiting passively for our fate, it would be

better to take the great gamble." The Lin Piao clique depicted Mao as "the Ch'in Shih Huang-ti of modern times,"<sup>1</sup> a reference to the first emperor of the Ch'in dynasty (221–210 B.C.) who tyrannized the population. The plot was foiled. In their attempt to escape, Lin Piao and his associates reportedly crashed in their plane over Mongolia in September, 1971.

The Cultural Revolution is now ascribed to Mao's inspiration, but its excesses are attributed to Lin Piao's sabotage. Thus, Lin Piao becomes the scapegoat for the shortcomings of the regime's policies just as Liu Shao-ch'i, the former President of China, became the scapegoat for the shortcomings of the period preceding the Cultural Revolution. Liu Shao-ch'i was charged with suppressing rebellion and struggle and thereby limiting the revolution; Lin Piao is charged with instigating disturbances and extremism which also hindered the revolution. And Mao Tse-tung has deflected blame for the shortcomings in his policies onto others.

With the final removal of Lin Piao, it was normal to expect that the party would be rehabilitated with ease. Indeed, on the surface, the old status quo appears to have been reestablished. Many old party people who had been purged in the Cultural Revolution have returned to power. The prime example is the reappearance of Teng Hsiao-p'ing in April, 1973. He had been in control of the party machinery for twelve years and among those who were purged he was second only to Liu Shao-ch'i in political importance. His return most likely is planned to demonstrate dramatically the regime's desire to resurrect the party organization. In addition to rehabilitating former party officials, the regime is also rebuilding the mass organizations that had functioned under party auspices. The resurrection of the Communist Youth League, the trade unions and women's organizations is an effort to displace the military personnel at the grass-roots level.

Though ostensibly it appears that the political system is returning to normal, in reality there is only the appearance of normality. Many Cabinet positions dealing with internal matters remain empty, some since the Cultural Revolution; others since the fall of Lin Piao. In part this is because one of the purposes of the Cultural Revolution was to reduce the bureaucracy. Whereas there were formerly 40 ministries, there are now only 17 that are fully functioning. Some important ministries do not yet have a head.

Even more significant, the military people who replaced party people in the ministries during the Cultural Revolution have not yet vacated their positions.

In fact new military men are still being appointed. As late as the end of 1972, a year after Lin Piao's purge, four new ministers with military backgrounds were appointed—one of them as minister of commerce. Not only is there still a preponderance of military men in the Cabinet, there is a preponderance of them in the Politburo, despite the gaps left by the purge of Lin Piao and his followers. Finally, the military is well entrenched at the provincial level where 21 of 29 First Secretaries of provincial party committees are military men. It is true that in China military men, particularly political commissars of military units, have played political as well as military roles, but since the government was reorganized in the early 1950's, the government has been predominantly civilian, at least until the Cultural Revolution. Today it continues to be predominantly military. The mechanisms of party control which had worked to keep the military under political supervision in the past were damaged and have not yet been repaired.

The weakness of the reemerging party is seen in the fact that the central leadership of the party is more unstable than the central leadership of the government. For example, the Standing Committee of the Politburo of the ninth Central Committee formed in 1969 had five members: Mao, Lin Piao, Chou En-lai, Mao's personal secretary, Ch'en Po-ta, and an old party official, K'ang Sheng, who was active in intelligence and security. At present, only the first two are active: Ch'en Po-ta has been purged along with Lin Piao, and K'ang Sheng has inexplicably fallen from sight. Chou En-lai and Li Hsien-nien, a financial expert and close associate of Chou's from early days, are the only Cabinet members who are on the Politburo.

Whereas in almost all Communist countries, real power lies not with the government but with the party, in China presently the situation appears to be the reverse. The Cabinet has a degree of independence from the highest party authority. Furthermore, it is likely that the military men in the Cabinet identify more with the army than with the party. Consequently the party's grip on the central government at this point is not sufficiently strong to grasp power fully in its own hands.

The separation of political power appears less prevalent at the local level than at the top. Recent travelers to China, particularly A. Doak Barnett, have observed that the differences between the party and government in the provinces are slight. The revolutionary committees, established during the Cultural Revolution as temporary institutions to fill the vacuum created by the onslaught against the party and government, appear to have assumed the duties of the governmental organs. They continue to govern alongside the newly established party branches. In most cases, the same officials lead both political institutions.

<sup>1</sup> A number of these documents are translated in *Chinese Law and Government* (White Plains, New York: International Arts and Sciences Press, Fall-Winter, 1972–1973), pp. 3–67.



Previously, as in the other Communist countries, the Chinese Communist party, even at the local level, was a distinct separate bureaucracy, which directed but supposedly did not become involved in day-to-day bureaucratic administration. This two-level system was established to lessen the bureaucratism of the party and check on the bureaucratism of the government. Now, with these two levels merged, the bureaucratism which Mao sought to eradicate might expand to a higher level than before he launched his Cultural Revolution.

Adding to an increasing bureaucratization since the Cultural Revolution is the resumption of normal political activities. Even more important, the rehabilitated party members have been returning, but the military men already in official positions have not left in any large numbers. So the reduction in personnel made during the Cultural Revolution is gradually being offset by a steadily increasing number of officials coming back into the system and adding to the military personnel already there.

#### **ECONOMIC READJUSTMENTS**

The Cultural Revolution had less impact on the economic than on the political system. Therefore, changes in the economic sector have been less radical than in the political sector. The commune system remained virtually untouched by the Cultural Revolution. In its post-Great Leap Forward development, the commune became a local self-governing unit which administers a number of villages, affiliated light industries, and health and educational facilities. Nor was there any effort to interfere with the production team of from 50 to 80 families, corresponding to former villages, as the basic economic unit.

The major impact of the Cultural Revolution on the economy was to be ideological rather than economic. The purpose was not so much to change the economic system as to change the thinking of those engaged in it. Liu Shao-ch'i was blamed for producing selfish individuals because he had emphasized material incentives to stimulate production. To counter Liu's "revisionist" policies, Mao sought, through ideological pressure in the Cultural Revolution, to create a new man, willing to work for the good of the community, not for selfish, material incentives. Through various emulation figures, the prime example being Lei Feng, the idea of receiving or even desiring material reward for hard work was incessantly denounced. Although not completely eliminated, material incentives were deemphasized and in some areas each worker, no matter how hard he might work, received the same amount of pay.

At present, even though lip service is still being paid to the collective and to the eradication of personal desires, the stress is on reward for individual

effort and initiative. A system of work points is used in which the peasant who works harder and produces more gets more work points and therefore more remuneration and the peasant who produces less gets fewer work points and less remuneration. Political attitudes count less than they did in the Cultural Revolution in the giving of work points.

Similarly, the bonuses and other forms of incentive pay that had been eliminated in industry during the Cultural Revolution have now been resumed. Even more important, the regime is in the process of reinstating professional managers and technicians thrown out during the Cultural Revolution. The factory is one area where foreign observers have noted the gradual withdrawal of military personnel. The reinstatement of professional personnel and the greater differential in incomes reflect intensified preoccupation with economic growth, a concern that was secondary to the development of revolutionary consciousness in the Cultural Revolution. Thus Liu Shao-ch'i has probably been purged beyond recall, but the material incentive and professional system associated with him have been resurrected.

#### **THE CULTURAL READJUSTMENT**

By mid-1973, there were several indications of an acceleration of the movement away from the Chiang Ch'ing- and Lin Piao-inspired culture of the past years. A livelier, more diverse approach to all aspects of cultural life was beginning to burst forth.

Newspaper articles have become shorter and less ideological. Recent Chinese films have had less didactic content and more individual, human content. Paintings have become less poster-like and more traditional, depicting scenes immortalized by Chinese painters from time immemorial. The London Philharmonic performed Western classical music which had not been heard since the start of the Cultural Revolution. Opera and ballet troupes reportedly are rehearsing new and less ideological productions. Thus, alongside the model revolutionary operas, there will be other types of art forms, giving the Chinese public a choice after almost seven years of just one style and one content. It could be that if this trend continues, a Hundred Flowers may bloom again.

After a few years of experimentation with new policies, by September, 1972, the regime began to move in education as it did in the cultural realm to a more conventional system. Very slowly there has been the

*(Continued on page 136)*

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**Merle Goldman**, an associate professor of history at Boston University, is also a research associate at the Harvard University East Asian Research Center. She is the author of *Literary Dissent in Communist China* (Cambridge: Harvard University Press, 1967).

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## BOOK REVIEWS

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### On China

**AN INTRODUCTION TO CHINESE CIVILIZATION.** EDITED BY JOHN MESKILL. (New York: Columbia University Press, 1973. 674 pages, appendix of maps and index, \$17.50.)

A brief 338-page history of China from ancient times to the present, by John Meskill of Barnard College, is followed by ten topical essays on major aspects of Chinese civilization, including anthropology, archeology, art, economic structure and trends, geography, political institutions, language, literature and religion.

**ATLAS OF CHINA.** BY CHIAO-MIN HSIEH. (New York: McGraw-Hill Book Co., 1973. 282 pages, bibliography, glossary, appendix and indexes, \$14.95.)

The author, a professor of geography at the University of Pittsburgh, has given us an up-to-date and comprehensive account of China, including 273 maps and numerous charts and tables.

**EAST ASIA: TRADITION AND TRANSFORMATION.** BY JOHN K. FAIRBANK, EDWIN O. REISCHAUER AND ALBERT M. CRAIG. (Boston: Houghton Mifflin Company, 1973. 928 pages and index, \$17.50.)

A revision, condensed and updated, of two earlier volumes, *East Asia: The Great Tradition* (1960) and *East Asia: The Modern Transformation* (1965), this new volume is a welcome addition to the books on East Asia for the student and the general reader. The book covers China, Vietnam, Korea, Japan—what the authors describe as “the Chinese culture area.”

The lengthy volume is divided into two sections: the 3,000-year evolution of traditional East Asian civilization, and the changes that have occurred in comparatively recent times. Maps, charts, illustrations and colored plates add a great deal to this detailed and informative work.

**CHINA.** “The Great Contemporary Issues” series. BY THE NEW YORK TIMES. (New York: Arno Press, 1972. 544 pages and index, \$25.00.)

As the editors of this series note: “When fresh, raw truths are allowed to speak for themselves, some quite distinct values emerge.” This volume reprints articles on China from *The New York Times* from 1900 to the present. Most articles are reprinted in their entirety and not always chronologically. Partly because of the voluminous nature of the reprinted material, and partly because of the

very poor quality of the reproduction, the volume is difficult to read.

A very brief chronology and brief biographical sketches of leading Chinese personalities are included.

**THE CHINESE CULTURAL REVOLUTION.** BY ADRIAN HSIA. (New York: The Seabury Press, 1973. 234 pages, notes and bibliography, \$8.98.)

Professor Hsia has written a brief analysis of the Chinese Cultural Revolution, set in the context of Chinese revolutionary thought and “the permanent social revolution which China has undergone since 1949.” Contradictions in Chinese society both before and during the Cultural Revolution are explored, and the Mao cult is evaluated. The absence of an index for this small volume is to be regretted.

**CHINA'S DEVELOPMENTAL EXPERIENCE.** EDITED BY MICHEL OKSENBERG. (New York: Praeger Publishers, 1973. 219 pages, bibliography and index, \$8.50, cloth; \$2.95, paper.)

The papers collected in this volume were originally presented at a series of meetings sponsored by the Academy of Political Science and the National Committee on United States-China Relations at Columbia University in the fall of 1972. Specific lessons that Americans can learn from the Chinese experience are outlined: economic, scientific and social development in China are discussed. As Professor Oksenberg points out: “Of all the nations from which we might borrow, one is particularly intriguing—China. . . . The Chinese have undertaken bold experiments in a number of areas that are of direct concern to us, such as bureaucratic practice, education, the patterns of urbanization, penology, public health, factory management, and civil-military relations.”

**CHINA: A RESOURCE AND CURRICULUM GUIDE.** EDITED BY ARLENE POSNER AND ARNE J. DE KEIJZER. (Chicago: University of Chicago Press, 1973. 277 pages, \$6.50, cloth; \$2.95, paper.)

A guide sponsored by the National Committee on United States-China Relations to offer representative views of the social, historical, economic, political and cultural aspects of China's history and foreign policy. Edwin O. Reischauer is the author of the introduction.

## THE U.S. AND THE CHINESE REVOLUTION

(Continued from page 101)

with Peking and in voting for the latter's admission to the United Nations. Then, in 1970, Canada, long out of patience with American intransigence, made her own arrangements with Peking, breaking with Chiang Kai-shek and taking official note that China regarded Taiwan as belonging to the mainland. The very next year, the majority in the United Nations Assembly voted in favor of China, seating its delegates and brusquely expelling the Chiang Kai-shek regime. Confronted with this *fait accompli*, the administration of President Richard Nixon, which had started pouring water on the flames in Vietnam, prepared to alter its own attitude.

"Any American policy toward Asia must urgently come to grips with the reality of China," Nixon had said in 1967. At the time, a curious movement described as the cultural revolution was in full swing in China—another mass upheaval precipitated by Mao and aimed at purging the bureaucracy of dissenters. By 1970, internal violence in China was over and power was consolidated in the hands of Mao and his foreign minister, Chou En-lai. Their success at home, coupled with the immense standing they had gained abroad, seemed to make it possible for the Chinese leaders to adopt a more relaxed attitude toward the United States. And it was apparent that, the war in Vietnam being a failure, the Nixon administration was ready to abandon its hopeless ideological warfare and look at China and the Soviet Union as they were. Additional concessions to Japan were also overdue, chief of which was the return of Okinawa to that country.

With the President paying state visits in the same year, 1972, first to Peking and then to Moscow, and with the Japanese following close behind and reestablishing full diplomatic relations with China, it becomes evident that a new era in the history of East Asia is in the making. The test of the durability of this new era rests with the four powers who are dominant in the region: the United States, China, Japan and the Soviet Union.

## SINO-JAPANESE RELATIONS

(Continued from page 110)

wan in even larger numbers than before. So far Japan seems to be enjoying the best of both worlds, having gained the political advantages of normalizing relations with Peking without suffering significant economic losses in relations with Taiwan. The only cloud on the horizon is the dispute over the aviation agreement, which may turn out to be a special case,

rather than the beginning of a calculated effort by Peking to place limits on Japan's relations with Taiwan.

In important respects, the normalization agreement marks the beginning of a new era in Sino-Japanese relations. It symbolizes the dropping of constraints on Sino-Japanese relations imposed by Japan's alliance with the United States during the period of United States "containment" of China; and it represents the assumption by a resurgent Japan of a more independent diplomacy. But a more independent diplomatic stance by Japan will not necessarily lead to the close and warm relations between Tokyo and Peking anticipated by the more euphoric of Japanese editorials. The Japanese government will have to look to Japan's national interests, which may at times clash with Chinese interests, as with respect to the Japanese desire to gain access to Siberian resources or to underseas oil in disputed areas claimed by Japan and China. And the Taiwan issue remains a potential problem, should the Chinese again become alarmed at the growth of Japanese influence in Taiwan and seek to curb it.

The establishment of diplomatic relations, the clearing away of nagging problems left over from the war, and the alteration of Japan's legal relationship with Taiwan certainly have cleared the atmosphere and made it possible for the two governments to deal directly with each other rather than at arm's length through a variety of private associations and quasi-official trade agreements as in the past. Yet the fact that the two governments can negotiate directly does not necessarily mean that they will find it easier to reach agreement. On the contrary, private Japanese negotiators probably could accept certain Chinese conditions which the Japanese government could not. Consequently, agreements such as the fisheries agreement, for example, may prove harder to negotiate.

Moreover, one of the most important results of the normalization agreement was to relieve the Japanese government of much public pressure on the China issue. For a long time, the question of normalizing relations with China was a burning political issue in Japan. Every politician had to favor it in principle, which gave China exceptional leverage in Japanese politics. Now that relations have been normalized, much of that leverage is gone. There is little evidence, for example, that there is public pressure on the Japanese government to move quickly or to make concessions to the Chinese on the aviation agreement. The prolonged negotiations suggest that the Japanese government is coolly weighing the Japanese interests involved and is prepared to do some hard bargaining.

Thus, we must reserve judgment as to the nature of the "new era." So far, less has changed than might have been expected. That is not surprising, because

the political infighting in Japanese politics over the China issue and the rapt attention given it by the Japanese press gave an exaggerated importance to the act of recognition of Peking. The establishment of diplomatic relations in itself does little to remove clashes of interests between nations, although it may make them easier to resolve or moderate. The test of whether Sino-Japanese relations will lead toward greater cooperation or toward greater rivalry still lies ahead.

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## TAIWAN AND CHINA

*(Continued from page 114)*

living, and therefore will probably support Taipei's position; 2) Peking realizes that reabsorption will be a long process, and seems agreeable to a "soft" socioeconomic convergence; and 3) Peking's gradual approach will be reinforced by its concern for the stability of the emerging East Asian power balance.

Peking consequently seems ready to accept a continued minimal United States military presence as a prolonged assurance to Taiwan of her own autonomy, while assenting also to a continued strong Japanese economic presence.

The current bilateral relations between China and Macao and between China and Hong Kong may offer a model for the solution to the Taiwan problem. In the first case, Portugal retains a sliver of sovereignty, while China actually controls both the government and the economy. In Hong Kong, the British maintain far more control over the government and the economy. Taiwan's future in the next decade probably lies somewhere between these two prototypes. Most likely, Taiwan will continue to operate her capitalist-oriented economy, but will acknowledge the mainland's authority in defense and foreign affairs. Thus the CPR will have recovered its territory, while Taiwan will continue to enjoy the fruits of her prosperity. The delicate courtship between Taipei and Peking—nurtured by a common sense of geography, history and destiny—seems likely to develop into an "open marriage."

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## CHINA'S INDUSTRY

*(Continued from page 119)*

as a lack of plants which provide specialized service and spare parts.

In order further to narrow the large quantitative and technological gap between her industry and the industry of industrialized nations, China faces challenging tasks. One of the tasks is to upgrade considerably the technology embodied in small local industry, especially in the chemical and metallurgy industries. The establishment of a number of enter-

prises which provide specialized services and spare parts for industries will also be essential. As the economy is steadily growing more complex, the present work incentive system will have to be modified and the growing problem of departmentalism (or bureaucracy) that stifles innovation and efficiency will have to be tackled. A happy medium between the opposite poles of ideological extremism and managerial, technical and economic rationality for an increasingly complex economy will have to be established. The current vocationally oriented education system will also have to be upgraded, and research on high-level applied technology should be accelerated. In addition, the training of high-level managerial personnel should be emphasized.

The large-scale import of advanced industrial plants, especially machine plants, license arrangement for production of specialized products and so on, which are now limited only by the amount of foreign exchange available, will accelerate the gains. Because of improved international relations with capitalist industrialized nations, China could solve the problem of foreign exchange shortages by permitting joint development of Chinese petroleum and coal resources. The arrangement between Occidental Petroleum Corporation in the United States and the Soviet Union with regard to chemical fertilizers and natural gas may offer a guide to future arrangements between China and these nations.

It is very likely that China will lengthen her lead over the ordinary less developed nations during the next decade. But it is not clear that she can narrow the gap between her economy and that of the dynamic capitalist industrialized nations, or prevent the gap from widening.

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## FOOD AND AGRICULTURAL PROBLEMS

*(Continued from page 123)*

grains in the first 2 decades of the Republic thus barely kept pace with population growth, leaving per capita grain output almost unchanged. If the current annual growth rate of 1.9 per cent continues, by 1992, Chinese population would reach 1.2 billion, an increase of 46 per cent. With a 46 per cent increase in population, a 100 per cent increase in foodgrain output in the coming two decades should improve the country's living standard. The problem is: Can Chinese grain output double in the next 20 years?

During the first 10 years of development, about 40 per cent of the Chinese foodgrain growth was due to the increase in sown areas, mainly through the rise of multiple cropping; and about 60 per cent of the growth was due to the increase in yields per acre.<sup>27</sup> In the period following the agricultural crisis (1961-

<sup>27</sup> Field, *op. cit.*



1971), virtually the entire increase in foodgrain production came from an increase in yield per acre. This increase was achieved primarily through increased investment in industries supporting agriculture, mainly the chemical fertilizer and agricultural machinery industries. To double food grain output in 20 years would require an annual growth rate of 3.5 per cent, which is 70 per cent higher than the growth rate achieved in the past 20 years. The attainment of this goal requires an inflow of capital into the agricultural sector which at least doubles that of the current level.

Yet, in recent years, not only has there been no substantial capital investment in agriculture, but those industries supporting agriculture have also gradually lost their zeal. Since the state has stipulated a policy of low price and marginal profit for materials supplying agriculture, industrial enterprises consider it a "losing business" and have deliberately shifted their resources away from supporting agriculture.<sup>28</sup> To raise the growth rate of foodgrain from 2 per cent in the past 2 decades to 3.5 per cent in the coming 2 decades would be an extremely difficult task. It requires a slowdown of industrialization and, more important, a considerable reduction in defense expenditures, a sector absorbing the lion's share of Chinese capital and technical manpower.<sup>29</sup> Without such a reorientation, and merely relying on local resources and backyard technology, a rapid breakthrough in modernizing Chinese farming would be only illusory.

<sup>28</sup> Editorial of *Shensi Jih-pao* (Shensi Daily) from Sian People's Broadcast Station, April 17, 1973.

<sup>29</sup> For details see Chu-yuan Cheng, *The Machine-Building Industry in Communist China* (Chicago: Aldine, 1971), pp. 217-219.

## MAOISM VERSUS KHRUSHCHEVISM: TEN YEARS

(Continued from page 105)

1973, the Occidental Petroleum Corporation negotiated an \$8-billion, 20-year fertilizer deal with the U.S.S.R. that in due course received official sanction in an exchange of letters between the United States Commerce Department and the Soviet Ministry of Foreign Trade.

The United States government is directly involved in the promotion of American-Soviet commerce in other respects. In March, the Export-Import Bank approved the extension of \$202.4 million (of which the bank itself would provide \$101.2 million) in American loans and guarantees to the Soviet Union

for the purchase of industrial equipment. And this was viewed as only a beginning. "Authoritative" West German and East European sources reported that CPSU General Secretary Leonid I. Brezhnev talked business to United States presidential adviser Henry A. Kissinger (who visited Moscow in May, 1973) in terms of \$250 billion in exchanges over the next 20 years.<sup>17</sup>

### SOVIET-AMERICAN COOPERATION

That figure may of course prove somewhat visionary; nevertheless, the Brezhnev visit to the United States in June, 1973, not only maintained the momentum toward political détente and increased economic exchanges, but perceptibly stimulated the process still further. Nine agreements were signed, covering political issues ranging from arrangements governing the payment of income taxes by one country's citizens living in the other to a mutual pledge to avoid actions that might possibly lead to nuclear confrontation between the two powers "and between either of the parties and other countries." The joint communiqué issued on June 25 indicated that the United States and the Soviet Union are bent on peaceful co-existence and an increase of amicable exchanges—including the economic. The political progress achieved since the Americans, British and Soviets signed their limited nuclear-test agreement at Moscow just one decade ago is substantial. And if the overall economic agreement signed between Washington and Moscow in October, 1972, has still (as of this writing) not received congressional approval, leaving the Soviet Union (like China) without most-favored-nation treatment in the American market, the pressures making for full regularization of economic relations between the two countries continue to mount.

Patently, the economic enterprises being undertaken by the Soviet Union with foreign collaboration dwarf anything the Chinese can achieve. The Soviet grand strategy is demonstrably paying dividends. Moscow has cultivated the governments of both bourgeois third world and capitalist countries with an effectiveness that Peking has been unable to match. And the Nixon strategy of détente has resulted in a further improvement of relations between the two superpowers.

China, on the other hand, is able to make modest progress in relations with both third world and industrialized countries, but not toward Peking's ultimate objective of marshalling the revolutionary forces of the "intermediate zone" in a crusade against both superpowers. The future holds many imponderables for that vast and variegated "zone," true, but the Chinese strategy for confounding the superpowers has no effective relationship to today's realities. In the field of grand strategy, Maoism has lost out to

<sup>17</sup> David Binder, *The New York Times*, May 20, 1973. See in this general connection, O. Edmund Clubb, "New Horizons in U.S.-Soviet Trade," *The Progressive*, June, 1973, pp. 41-44.

## CULTURAL REVOLUTION

(Continued from page 131)

reintroduction of exams for college entrance. More emphasis is being put on theoretical subject matter and less on practical experience in the factories and fields. Though a student must put in several months of physical labor, a number of urban high school graduates in some areas are now permitted to enter the university without having gone through two years of manual labor. Old bourgeois professors who had been thrown out of the universities have been reinstated even before they have been completely reformed. These measures reflect increasing concern with economic growth.

Their implications are profound. The universities are resuming the very policies that had prompted Mao to close them in the Cultural Revolution. They are becoming more concerned with training professionals than in training revolutionary cadres. With increasing standards, it is likely that there will be fewer workers and peasants entering the universities and more children of officials who are less qualified ideologically but more qualified academically. If this trend continues, a specialized, technocratic elite may reemerge, the very group Mao sought to destroy because he feared it would undermine the revolutionary society he was creating. Here again, despite the purge of Liu Shao-ch'i, a cultural and educational system may emerge which is closer to Liu's developmental model than Mao's.

### THE FUTURE

Will these readjustments across the whole spectrum of Chinese society continue? It is possible that the system of material incentives will continue on a steady course. The political arrangements at the center, however, may suddenly unravel. Since the Great Leap Forward resulted in an inner political crisis, it can be expected that the aftermath of the Cultural Revolution may result in an even more acute political crisis because the Revolution was more directly related to the political system.

The present political situation is still volatile. Besides the uncertainty at the center, the succession issue has not been resolved. Communist systems have not worked out a procedure for succession. Despite the example of the trauma that occurred in the Soviet Union after Stalin's demise, there is no evidence that the Chinese have learned from the experience. Mao is nearly 80 years old so this question will arise in the near future. Mao first endorsed Liu Shao-ch'i and then Lin Piao as his official heirs, but he has

purged them both. There is talk of Chou En-lai as a successor, but Chou is in his seventies and could possibly die before Mao. Chiang Ch'ing, Mao's wife, has no solid support except among a few younger ideologues and will probably lose whatever power she has with her husband's death. Two younger men have surfaced during the Cultural Revolution, Yao Wen-yuan and Chang Ch'un-ch'iao. Yao is closely associated with Chiang Ch'ing so he, like she, might not survive Mao's demise. The other, Chang Ch'un-ch'iao, who also gained prominence through Chiang Ch'ing's patronage, appears to have become independent of her support and has established a separate base of his own in Shanghai. Chang or someone in his mold, with a territorial base and some military power, might come to the fore after a period of collective leadership. With the military entrenched at the local level and also at the center, it is likely the military will participate in the choice of a successor.

Even if the succession were peaceful, can Mao's successor or successors continue the dynamic leadership Mao has given China? Because of his ideological direction, charisma and, most important, his historical role in creating a united country after 100 years of disruption, Mao has been able to hold together the conflicting interest groups which compose the new China. He has directed them toward the common goal of revolution and modernization. But can anyone without this background play a similar role? Moreover, after Mao's onslaught against it, will the party ever again be able to wield the tremendous power it once had? It could well be that the leadership that has led China for several decades will become less dynamic and less committed to achieving both modernization and revolution in the future.

Nevertheless, from what we have read and heard from returned visitors, in China there is already the making of a new kind of society. The Maoist vision of his countrymen putting service to the collective before service to self is part of China's cultural and historical heritage, but Mao has made this vision more powerful and more pervasive than ever before. Yet the fact that Mao halted the Cultural Revolution before it had realized his vision shows that China has not yet achieved this new man. Mao has compromised with the realities of human nature. Are the adjustments now under way also a compromise with Mao's vision of a revolutionary society? In view of Marxist-Leninist doctrine, these moves can be rationalized as taking a step backward so as later to take two steps forward. The changes in the past two years have been so dramatic that one wonders if the regime may have taken more than one step backward. Yet as long as Mao rules, this trend is not irreversible. His vision of building a truly revolutionary society still remains and contradicts the current adjustment now under way.

<sup>2</sup> Editor's note: see also the article on education in China in this issue.

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# THE MONTH IN REVIEW

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*A CURRENT HISTORY chronology covering the most important events of July, 1973, to provide a day-by-day summary of world affairs.*

## INTERNATIONAL

### Conference on Cooperation and Security in Europe

July 3—Soviet Foreign Minister Andrei A. Gromyko opens the 35-member conference in Helsinki with a proposal by the Soviet Union for a new charter of relations among all European states and a general East-West summit meeting before the year's end.

The delegates approve a previously worked out agenda of topics to be taken up by working groups in Geneva in the fall.

July 5—U.S. Secretary of State William P. Rogers, stressing human objectives for the Helsinki talks, says that the conference "must not confirm barriers that still divide Europe"; he supports the position of the British Foreign Secretary, Sir Alec Douglas-Home, endorsing specific practical measures for freer circulation of people and information between East and West.

July 6—The foreign ministers conclude their policy statements at the Helsinki conference and informally agree to a 2d phase of talks in Geneva beginning September 18.

July 7—The 1st phase of the conference ends with a communiqué that "no consensus was reached for the time being" on the Maltese proposal requesting the admission of Algeria and Tunisia to the conference.

### International Court of Justice

July 13—The World Court denies a Pakistani request for an interim injunction to direct India not to transfer Pakistani prisoners of war to Bangladesh to stand trial.

### International Monetary Crisis

July 6—The value of the dollar falls to new lows for the 9th consecutive day, as officials in Zurich, Brussels, Paris and other financial centers call on the United States to support the dollar. In Paris, the price of gold reaches a new record of \$132 an ounce.

July 10—The U.S. Federal Reserve Board increases by more than 50 per cent its "swap" credit lines with other central banks, enabling it to borrow foreign currencies to defend the value of the dollar in foreign-exchange trading.

July 13—The fluctuating American dollar after

rallying 3 days, ends the week with an average loss in value of about 20 per cent against European currencies.

July 27—The Bank of England raises its minimum lending rate  $2\frac{1}{2}$  percentage points to  $11\frac{1}{2}$  per cent, the highest rate in history. The Bank of England also makes large purchases of the British pound to bolster its declining value in international monetary markets.

The West German central bank reduces its high interest rates that have attracted British and U.S. monies and contributed to the falling value of U.S. and British currencies.

## Middle East

(See also *Intl, U.N.; Egypt*)

July 12—Israel reports that 3 Syrian tanks entered the demilitarized zone on the Golan heights; an exchange of fire produced no casualties.

July 13—U.N. Secretary General Kurt Waldheim announces plans for a visit to the Middle East to consult with leaders of the Egyptian, Israeli and Jordanian governments, but dates have not been set.

July 21—Arab and Japanese hijackers continue to hold hostage a Japan Air Lines jet plane commandeered yesterday after it took off from Amsterdam. The pilot was forced to land at Dubai, a Persian Gulf sheikdom. The hijackers demand the release of Kozo Okamoto, who is serving a life sentence in Israel for his part in the massacre of 26 persons at Tel Aviv airport in May, 1972.

The Israeli Minister of Transport, Shimon Peres, says that Israel will not yield to the hijackers' demand.

July 23—*The New York Times* reports that hijackers continue to hold hostage the Japan Air Lines jet and passengers in Dubai.

July 24—After landing at Benghazi airport, the JAL plane is blown up by the hijackers after passengers and crew have disembarked. The hijackers, identified as 3 Palestinians and 1 Japanese, are arrested by Libyan authorities.

## United Nations

July 20—The Security Council resumes its debate on the Middle East. The Egyptian Foreign Minister, Mohammed H. el-Zayatt, declares that U.S. support for Israel has "blocked the way to peace."

July 26—The U.S. vetoes a Security Council resolu-

tion (approved by 13 members, China abstaining) that is critical of Israel's continuing occupation of Arab lands seized during the 1967 war.

## War in Indochina

July 1—Amnesty International, an independent organization working for the release of persons imprisoned for their political beliefs, publishes a report on the detention of 100,000 civilians by the South Vietnamese government and the Provisional Revolutionary government of the Vietcong.

The South Vietnamese government reports 3 severe Communist cease-fire violations.

July 4—Communist troops cut off Route 4, Pnompenh's road to the sea.

July 8—In a campaign to isolate Pnompenh, Communists cut off 5 government defensive outposts despite heavy American bombing.

July 9—Cambodia's Premier In Tam, declaring that the United States has not involved him in cease-fire negotiations, says, "This is a problem for Khmers to discuss with Khmers."

July 10—In the 126th consecutive day of bombing, American jets strike north of Pnompenh against rebel troops advancing close to the capital.

July 12—U.S. jets give strong support in heavy fighting south and west of Pnompenh.

July 15—The Vietcong release 2 Canadian officers serving on the International Commission of Control and Supervision, held captive 17 days in South Vietnam.

July 21—The commander-in-chief of the Cambodian army, Lieutenant General Sosthene Fernandez, states that Cambodia will ask the U.S. to continue its bombing after the scheduled cut-off date of August 15. (See also *Current History*, August, 1973, "U.S. Government," June 29, 1973, p. 96.)

July 22—American planes strike guerrilla positions ringing Pnompenh.

July 23—The South Vietnamese government releases 375 civilian prisoners to the Vietcong.

July 29—*The New York Times* reports that an agreement to end the military and political conflict in Laos has been reached by the Vientiane government and the Communist-led Pathet Lao. The agreement provides for the 2 Laotian parties to share the ministries in a government of national union; on the military side, the agreement provides for Laos to be divided into 2 zones, one under the control of the Laotian army and the other under the control of the Pathet Lao.

*The New York Times* reports that the International Commission of Control and Supervision is bankrupt; its debts total over \$10 million. I.C.C.S. sources charge that several delegations have presented inflated and false expense statements.

July 31—The 249 Canadian military members of the

I.C.C.S. leave. The Canadian delegation's withdrawal from the I.C.C.S. becomes effective today.

## AFGHANISTAN

July 17—While King Mohammad Zahir Shah is visiting Italy, Lieutenant General Mohammad Daud Khan, the King's brother-in-law, leads a coup d'état against the government. In a broadcast, General Daud declares that he has set up a military government to save the country. Martial law is declared throughout Afghanistan.

## ARGENTINA

July 6—Left-wing guerrillas, claiming to be the People's Revolutionary Army, release an American executive kidnapped June 19, the 5th to be kidnapped this year.

July 13—Héctor J. Cámpora resigns the presidency, promising the office to former dictator Juan D. Perón "within a few more days." Cámpora announces the resignations of Vice President Vincent Solano Lima and the Cabinet.

July 14—José Rucci, general secretary of the General Confederation of Labor, pledges trade union support for Perón for the presidency of Argentina.

July 17—In Córdoba, over 10,000 workers strike following an attack by right-wing trade unionists against the headquarters of a leftist union.

## AUSTRALIA

July 11—The department of foreign affairs announces the appointment of a career diplomat, Bruce Woodberry, to become chargé d'affaires of a diplomatic mission to North Vietnam on July 28.

## AUSTRIA

(See *U.S.S.R.*)

## BAHAMAS, THE

July 10—The Bahamas become an independent nation and a member of the British Commonwealth after 3 centuries of British colonial rule.

## CAMBODIA

(See *Intl. War in Indochina*)

## CHILE

July 4—President Salvador Allende Gossens returns the country to civilian control, abrogating the emergency decrees following an abortive military uprising on June 29. The President meets with leaders of his Popular Unity coalition, dominated by Communists and Socialists, to form an all-civilian, 15-member Cabinet to replace the one that resigned yesterday.

July 27—Captain Arturo Araya, chief military aide to President Salvador Allende Gossens, is assassinated.



## CHINA

(See also *U.S., Foreign Policy*)

July 4—The Bank of China will be represented in the U.S. by the Chase Manhattan Bank, bank chairman David Rockefeller announces in a news conference; this is the 1st such arrangement with an American bank since the Communists came to power in China in 1949.

## CYPRUS

July 14—The Major Synod of the Orthodox Church defrocks the 3 dissident bishops who had attempted to defrock Archbishop Makarios, the President of Cyprus, because he held secular office.

## CZECHOSLOVAKIA

(See *U.S., Foreign Policy*)

## EGYPT

(See also *Intl, U.N., and Libya*)

July 14—Hafez Ismail, adviser to President Anwar Sadat, returning from a 3-day visit to the Soviet Union, says Egypt and the U.S.S.R. "are in total accord in their assessment of the Middle East situation."

## FRANCE

(See also *United Kingdom, Great Britain*)

July 5—France raises its lending rate from 7.5 to 8.5 per cent as one of its anti-inflationary measures.

July 21—A French nuclear device is tested in the South Pacific. A New Zealand frigate, the *Otago*, witnesses the explosion from a site 12 miles away. The *Otago* sailed into the test area to protest the blast.

July 29—A 2d French nuclear test is held in the South Pacific.

## GERMANY, FEDERAL REPUBLIC OF (West)

(See *Intl, Intl Monetary Crisis; U.S., Foreign Policy*)

## GREECE

July 3—The government arrests 2 former Cabinet ministers, as well as 2 civilians and 5 air force officers, and accuses them of a role in an alleged abortive Navy coup in late May.

July 9—As part of an anti-inflationary program, Greece raises the interest on bank loans 2 per cent and the Bank of Greece discount rate increases to 9 per cent from 7.5 per cent.

July 29—A referendum is held on the abolition of the monarchy and its replacement by a presidential parliamentary republic headed by President George Papadopoulos, as decreed on June 1, 1973.

July 30—In final returns from the referendum, it is reported that some 78.4 per cent of the electorate voted in favor of Papadopoulos' program and the abolition of the monarchy.

## INDIA

(See also *Intl, Intl Court of Justice; Pakistan*)

July 11—India releases 438 Pakistani prisoners of war for medical reasons; 92,000 remain in detention camps.

## IRAN

(See *U.S., Foreign Policy*)

## IRAQ

July 1—Defense Minister Lieutenant General Hamad Shihab is killed and Interior Minister Lieutenant General Sadoun Ghaidan is wounded in a plot reportedly engineered by the chief of internal security, Colonel Nazem Kassar.

July 7—Following a swift trial before a special 3-member tribunal, the government executes 23 persons, including Colonel Kazzar, accused of taking part in the abortive coup.

July 9—A 2d round of executions of 13 persons accused in the recent plot includes Mohammed Fadel, a member of the ruling Baath Socialist party; a Baath party member of the Command Council, Abdel Khalek al-Sammarai, is sentenced to life imprisonment.

July 11—The ruling Baath party, in a reaction to the recent abortive coup, concludes an agreement with the Communist party on sharing power and resumes peace talks with the Kurds, a rebellious minority.

July 13—President Ahmed Hassan Bakr amends the Constitution to give himself full powers.

## ISRAEL

(See also *Intl, Middle East*)

July 1—6,000 doctors striking for the 25th day seek reform of the nation's system of socialized medicine.

July 3—Israeli leaders pledge retribution for the slaying of an Israeli military attaché, Colonel Yosef Alon, in Washington, D.C., 2 days ago.

## ITALY

July 8—Mariano Rumor is sworn in as Premier for the 4th time.

## JORDAN

July 17—Jordan breaks off diplomatic relations with Tunisia.

## KOREA, REPUBLIC OF (South)

July 11—Vice Minister Lee Jae Sul of the Economic Planning Board announces economic curbs and import arrangements to cope with shortages of scrap iron and farm products because of the U.S. export embargo, announced June 27, 1973.

At the opening session of the 7th round of Red Cross talks between North and South Korea in Pyongyang, South Korea proposes family exchange visits between the 2 Koreas in September.

## LEBANON

July 9—The formation of a national coalition Cabinet of 22 members under Premier-designate Takieddin Solh ends a 17-day political crisis.

## LIBYA

July 20—After a caravan of some 40,000 Libyans push past Mersa Matruh, in disregard of Egypt's wish that they go no further, the Egyptians block the road to Cairo by placing a train across it. The Libyans are marching to pressure Egypt into proceeding with the proposed merger with Libya.

July 23—Colonel Muammar el-Qaddafi, Libya's leader, announces that he has withdrawn his resignation, first offered on July 11.

## NEW ZEALAND

(See also *France*)

July 11—Prime Minister Norman Kirk announces that New Zealand has lifted her trade embargo with North Vietnam as a first step to normalize relations but is not willing to recognize North Vietnam until she honors the Paris cease-fire agreement obligations.

## PAKISTAN

(See also *Intl, Intl Court of Justice; India*)

July 10—The National Assembly authorizes President Zulfikar Ali Bhutto to recognize Bangladesh.

July 12—Pakistan and India agree to hold talks beginning July 24 in Islamabad to resolve problems resulting from the December, 1971, war.

## PHILIPPINES, THE

July 28—In the second day of voting in a referendum on whether President Ferdinand E. Marcos should continue as President of the Philippines beyond 1973, it is reported that a large vote in favor of his continuing in office is anticipated.

July 31—The Commission of Elections reports that in the referendum President Marcos received 90 per cent of the 7.2 million votes counted so far.

## PORTUGAL

July 16—Premier Marcello Caetano of Portugal arrives in London for an official visit.

## Mozambique

July 10—*The Times* of London carries a report by Spanish missionaries of the massacre by Portuguese armed forces of a Mozambique community; its residents allegedly helped guerrillas of the Mozambique Liberation Front, known as Frelimo.

## RWANDA

July 5—A military coup d'état, led by Major General Juvénal Habyarimana, following months of tribal

unrest, overthrows the government of President Grégoire Kayibanda; the President is placed under the protection of the National Guard. A statement broadcast in the name of General Habyarimana and 10 other officers orders the suspension of Paremhutu, the only legal political party. The National Assembly is dissolved.

July 7—General Habyarimana, calling for unity, promises ousted politicians their freedom.

## UGANDA

(See also *U.S., Foreign Policy*)

July 9—After assurances from Zaire's President Mobutu Sese Seko that they had been invited, President Idi Amin orders the release of 112 American Peace Corps volunteers, whom he detained for over 2 days, and allows them to continue to Zaire.

## U.S.S.R.

(See also *Intl, Conference on Cooperation; Egypt*)

July 5—In Vienna, Soviet Premier Aleksei N. Kosygin, responding to the request of some 80 Jews who wish to return to the Soviet Union, says that the Soviet Embassy in Vienna will deal with these requests.

In a joint communiqué the Soviet Premier and Austrian Chancellor Bruno Kreisky support the forthcoming European security conference.

July 6—The Soviet Union announces a school-construction program, particularly to upgrade rural education.

## UNITED KINGDOM

### Northern Ireland

July 18—Two British soldiers are killed by the Provisional wing of the I.R.A. following yesterday's arrest of 18 I.R.A. leaders.

July 31—The new Assembly opens; it replaces the provincial Parliament that was suspended in March, 1972, and allows Roman Catholics to have a greater share in the government. Militant Protestants, who promised to obstruct the Assembly, disrupt the first session, which is adjourned by the chairman.

## UNITED STATES

### Economy

(See also *Intl, Intl Monetary Crisis*)

July 1—President Richard Nixon, in a nationwide radio address, calls the temporary June 13 price freeze effective in keeping prices stable.

July 2—The nation's major banks raise their prime rate from 7¾ to 8 per cent.

July 5—The government approves an increase in interest rates for commercial banks—from 4½ to 5 per cent; for thrift institutions—from 5 to 5¼ per cent; and for government mortgage loans—from 7 to 7¾ per cent.

July 6—The Labor Department reports that wholesale prices rose 2.3 per cent in June, mainly before the latest freeze on June 13, and the unemployment rate dropped from 5 to 4.8 per cent in June, its lowest level in 3 years.

July 18—The White House issues a Presidential statement outlining Phase 4 of President Nixon's economic stabilization program. The June 13 price freeze will continue until August 12; but the freeze on the price of health care and food, with the exception of beef, is lifted. The statement concedes that prices will continue to increase in the second half of 1973.

## Foreign Policy

(See also *Intl. Conference on Cooperation, War in Indochina; U.S., Government*)

July 4—White House officials announce that Henry A. Kissinger, the President's adviser on national security affairs, will go to Peking later this summer to confer with China's Premier Chou En-lai.

July 5—State Department spokesman Paul J. Hare says that the government is protesting Ugandan President Idi Amin's message wishing President Nixon "a speedy recovery from the Watergate affair" and will not nominate a new ambassador to Uganda.

July 6—President Nixon confers with China's representative in the United States, Huang Chen, following a meeting between Huang Chen and Kissinger, which included a discussion of peace efforts in Cambodia.

July 9—In Prague, Secretary of State William P. Rogers signs a consular convention with Czechoslovakia to begin to normalize relations between the 2 countries. Rogers is the 1st American Secretary of State to visit Czechoslovakia since World War II. Rogers has raised the issues of Czechoslovakians who wish to join their families in the United States, of property and bond claims. Negotiations on cultural exchanges are set for October 22 in Prague.

July 12—President Nixon and his top aides confer with West Germany's visiting Foreign Minister Walter Scheel on "the Atlantic relationship" and European security.

July 16—Secretary of Defense James R. Schlesinger, in a letter to the Senate Armed Services Committee, discloses that U.S. B-52 bombers struck secretly in Cambodia in 1969 and 1970. He defends the unreported raids as necessary to the security of U.S. troops in Indochina. (See also *Military*.)

Testifying before the Senate Armed Services Committee, former Air Force Major Hal M. Knight declares that he and others falsified highly classified reports after the secret missions in 1969-1970 to obliterate any record of the unpublicized bombings.

July 18—Melvin R. Laird, who served as Secretary of Defense at the time of the secret bombings, and retired General Earle G. Wheeler (then chairman of the Joint Chiefs of Staff) declare that they had no knowledge of the falsification of official documents relating to the secret bombing of Cambodia in 1969-1970. Laird denies that he ever ordered the "falsification of official records."

July 18—Secretary of State William P. Rogers confers in Seoul with top-ranking South Korean officials on admitting North and South Korea to U.N. membership.

July 19—Kissinger states that the White House "neither ordered nor was it aware of any falsification of records" on the 14-month secret bombing of Cambodia ordered by President Nixon in March, 1969; during this period, the U.S. official policy was respect for Cambodia's neutrality.

At a White House meeting, Kissinger tells 3 eminent Jewish leaders that Soviet Communist party leader Leonid I. Brezhnev has promised President Nixon that a large number of Soviet Jews, previously denied permission to emigrate, will soon be allowed to leave for Israel.

July 20—Defense Department spokesman Jerry W. Friedheim acknowledges that the Defense Department knowingly gave the Senate Armed Services Committee a false report last month that did not divulge the secret bombing of Cambodia in 1969-1970.

July 24—Shah Mohammed Riza Pahlevi of Iran begins a 4-day state visit. He is welcomed by U.S. President Nixon.

July 25—The Shah of Iran declares that he plans to purchase U.S. fighter planes to improve Iran's defenses.

In a suit brought by a member of Congress and 4 Air Force officers, Federal District Court Judge Orrin G. Judd in Brooklyn issues a permanent injunction forbidding the U.S. Defense Department and Air Force to continue to bomb in Cambodia because such acts are "unauthorized and unlawful."

July 26—In Washington, D.C., government officials report that Kissinger has postponed his Peking trip until after August 15, when U.S. bombing in Cambodia is scheduled to stop.

July 27—The Court of Appeals for the Second Circuit grants the U.S. government a stay of Judge Judd's injunction ending the bombing of Cambodia.

July 28—According to *The New York Times*, sources in Washington, D.C., report that the Senate Armed Services Committee has evidence that the falsification of bombing records extended to missions over Laos.

July 30—At the White House, President Nixon confers with Prime Minister Gough Whitlam of Australia.

July 31—Visiting Premier Kakuei Tanaka of Japan meets with President Nixon at the White House.

## Government

July 1—President Nixon signs a compromise package of bills that cuts off funds for American military actions in Indochina after August 15 and continues government spending and borrowing authority through November 30. The compromise includes an agreement that President Nixon will seek congressional approval if he wants military operations in Cambodia to continue beyond August 15.

July 2—White House press secretary Ronald L. Zeigler says that President Nixon plans to speak on charges made by the select Senate committee investigating the Watergate scandal after it completes its current hearings, but that he will not speak publicly on the matter until then, and will not appear before the committee or the grand jury to respond to charges.

The government imposes export controls on scrap metal and announces the resumption of limited soybean shipments.

July 3—Samuel Dash, counsel to the Senate Watergate committee (the Senate Select Committee on Presidential Activities), says that John W. Dean 3d, former counsel to the President, will be recalled by the committee this fall to testify about the President's purchase of his San Clemente, California, estate.

Press secretary Ziegler denounces newspaper articles suggesting wrongdoing in the purchase of the San Clemente estate.

July 5—The government orders additional controls on 41 agricultural exports in the areas of livestock feed, edible oils and animal fats.

July 6—George A. Spater, chairman of American Airlines, says that the company illegally contributed \$55,000 in company funds to President Nixon's reelection campaign. The funds were solicited last year by Herbert W. Kalmbach, President Nixon's former personal attorney. At the time, American Airlines had a pending merger with Western Airlines before the Civil Aeronautics Board; this was later rejected by the C.A.B.

July 7—President Nixon formally notifies the Senate Watergate committee that "I consider it my constitutional responsibility to decline to appear personally under any circumstances before your committee or to grant access to presidential papers." He says he will speak to the subject "at an appropriate time during your hearings."

July 9—President Nixon addresses a crowd of about 12,000 in Kansas City, Missouri, at the swearing in of Clarence M. Kelley as director of the F.B.I.

The General Accounting Office, in a report to Congress, accuses the Agriculture Department of

mismanaging last year's wheat sales to the Soviet Union.

July 10—Former Attorney General John N. Mitchell, testifying before the Senate Watergate committee, says he withheld information from President Nixon about the Watergate bugging, the cover-up and "White House horror stories" because he believed it would damage the President's bid for reelection. He denies that he authorized the scheme that led to the Watergate break-in and disputes the testimony of John W. Dean 3d and Jeb Stuart Magruder, his former deputy at the Committee for the Re-election of the President.

The House of Representatives votes to limit subsidy payments to any one farm to \$20,000.

July 11—In his 2d day of testimony, John N. Mitchell insists that "to my knowledge, the President was not knowledgeable" about the Watergate affair and states that the former senior White House aides H. R. Haldeman and John D. Ehrlichman participated in "a design not to have the stories come out."

The Finance Committee to Re-elect the President returns a check for \$55,000 to American Airlines.

White House deputy press secretary Gerald L. Warren, citing a May 23 rule, says that to prevent untoward disclosure former presidential aides involved in Watergate matters may not copy documents they worked on in the White House.

The Senate Foreign Relations Committee rejects the administration's nominee, G. McMurtrie Godley, former Ambassador to Laos, as Assistant Secretary of State for East Asian Affairs because of his identification with Washington's policies in Indochina.

President Nixon signs the bill to increase Social Security benefits 5.6 per cent by 1974.

July 12—In response to an urgent appeal of the Senate Watergate committee to avert "the very grave possibility of a fundamental constitutional confrontation" over documents the committee seeks, President Nixon agrees to meet with the committee chairman, Senator Sam J. Ervin, Jr. (D., N.C.), as a "courtesy," but deputy press secretary Warren says the President will not testify nor provide the committee with presidential papers.

Former Attorney General Mitchell completes his 3d day of testimony before the Senate Watergate committee; Richard A. Moore, a White House special counsel, testifies before the committee that he believes that the President had no knowledge "of any involvement of White House personnel in the bugging or cover-up" until March 21, 1973.

Deputy press secretary Warren, criticizing the Senate Foreign Relations Committee's rejection of Godley, says that the President believes that career



officers should not "become subject to retribution for diligent execution of their instructions."

July 13—Doctors at the Bethesda Naval Hospital report that the President (now hospitalized) must reduce his work load by 75 per cent for the next few days because he is suffering from viral pneumonia.

July 14—The Senate confirms the appointments of John L. McLucas as Secretary of the Air Force, General George S. Brown as Air Force chief of staff and Ernest V. Siracusa as Ambassador to Uruguay.

July 16—Alexander P. Butterfield, now head of the Federal Aviation Agency and a former aide to H. R. Haldeman (former White House chief of staff), testifies before the Senate Watergate committee and discloses that all of President Nixon's meetings in the White House and his telephone calls were automatically tape-recorded, including conversations with John W. Dean 3d and other key Watergate figures.

In a letter to Senator Sam J. Ervin, Jr. (D., N.C.) J. Fred Buzhardt, a special presidential counsel, acknowledges that all of President Nixon's official meetings and telephone conversations have been secretly taped since 1971.

Herbert W. Kalmbach, a personal attorney and a chief fund-raiser for President Nixon, tells the Senate Watergate committee how he secretly raised \$220,000 for the 7 Watergate defendants charged with illegally breaking into Democratic National Headquarters at the Watergate complex in Washington, D.C.

July 17—Voting 77 to 20, the Senate approves a bill for a \$3.5-billion, 789-mile trans-Alaskan pipeline.

The Federal Trade Commission files a formal complaint against the 8 largest oil companies in the U.S., in which the 8 are accused of conspiring to monopolize the refining of petroleum products for a period of at least 23 years; the monopolistic practices have allegedly led to gasoline shortages.

Kalmbach tells the Senate Watergate committee that 3 years ago he provided \$400,000 in cash to unknown persons, as ordered by the White House. He declares that he now believes the money was used to try to defeat Alabama Governor George Wallace in the 1970 Democratic gubernatorial primary.

President Nixon orders the Secret Service not to divulge its role in recording President Nixon's White House conversations. A White House spokesman declares that President Nixon considers the tapes to be "presidential documents."

The Senate Watergate committee asks President Nixon to make the tapes available.

July 18—The House of Representatives, voting 244 to 170, approves a measure to limit the war powers of the President, making the commitment of U.S.

troops to hostilities abroad subject to congressional approval. The bill now goes to the Senate.

Frederick C. LaRue, a former official of the Committee for the Re-election of the President, tells the Senate Watergate committee that he came to the conclusion that the \$230,000 that he distributed secretly to the "Watergate Seven" was to meet "commitments" to the defendants, but that he did not know who ultimately authorized the payments.

July 19—The Senate, voting 64 to 33, approves a bill to increase the minimum wage of \$1.60 an hour to \$2.20 an hour over a 14-month period.

July 20—The Senate votes, 71 to 18, to approve a measure that would limit the President's power to order U.S. troops to fight abroad without congressional sanction. The bill will go to a Senate-House conference to resolve differences.

White House officials reveal that President Nixon has decided to end the taping of all telephone and office conversations.

President Nixon leaves Bethesda Naval Hospital after recovering from pneumonia. He declares that he will not resign; while others "wallow in Watergate," he is going to do what he was elected to do.

Gordon C. Strachan, a former aide to Haldeman, tells the Senate Watergate committee that Haldeman had been advised 2 months before the June, 1972, break-in of Democratic headquarters that the Committee for the Re-election of the President had created "a sophisticated political intelligence-gathering system."

July 23—President Nixon, in a letter to Senator Ervin, refuses to release tape recordings of White House telephone and office conversations. In his letter, Nixon states that the tapes support "what I have stated to be the truth" but that they would "not really settle the central issues before your committee." He declares that the release of the tapes would lead to the need for more and more documents in "an endless process of disclosure and explanation of private presidential records. . . ."

Watergate Special Prosecutor Archibald Cox and the Senate Watergate committee present subpoenas to the White House demanding the tapes. Because President Nixon has placed the tapes under his "sole personal control," the subpoenas are addressed to him. Senator Ervin declares that the constitutional doctrine of separation of powers does not apply to cases involving "alleged criminal activities."

July 24—Deputy press secretary Warren says, in a general reference to the subpoenas for the release of presidential tapes, that there is "no question that the President has abided by court rulings in the past and that he would" continue to do so.

John D. Ehrlichman, former chief domestic adviser to the President, tells the Senate Watergate committee that neither he nor the President authorized the break-in of the office of Daniel Ellsberg's psychiatrist; he insists that the break-in was not illegal and was within the President's power to protect the national security by preventing information from reaching foreign powers.

Ehrlichman charges that John W. Dean 3d misled the White House about the Watergate break-in and cover-up.

July 25—The House of Representatives votes, 254 to 164, to curb the President's power to impound funds appropriated by Congress.

John D. Ehrlichman, testifying before the Senate Watergate committee, denies that he was involved in the Watergate cover-up.

President Nixon announces that John B. Connally, former Governor of Texas and Secretary of the Treasury, has resigned as a part-time, unpaid adviser to the President.

July 26—In a letter to Chief Judge John J. Sirica of the U.S. District Court in Washington, D.C., President Nixon refuses to release the presidential tapes. He declares that the independence of the 3 branches of government is at stake and that the courts may not "seek to compel some particular action from the President." At the request of Special Prosecutor Cox, Judge Sirica issues an order directing President Nixon "or any subordinate officer" to show cause by August 7 why a grand jury request for certain presidential tapes was refused.

In a letter to Senator Ervin, President Nixon lists his reasons for refusing to release the presidential tapes for the use of the Senate Watergate committee; he asserts that he "cannot and will not consent to giving any investigatory body private presidential papers." The committee votes to sue the President to force him to release the tapes.

July 27—John D. Ehrlichman, in testimony before the Senate Watergate committee, rebuts testimony by John Dean, John Mitchell and other witnesses. He asserts that President Nixon was not thoroughly informed on the Watergate conspiracy until April 14, 1973.

July 28—The appointment of Ray Garrett, Jr., as chairman of the Securities and Exchange Commission receives Senate confirmation.

July 30—H. R. Haldeman, former White House chief of staff, reads a prepared statement before the Senate Watergate committee that neither he nor President Nixon knew of the Watergate conspiracy or the cover-up. He testifies that at President Nixon's request, he recently listened to the tape recordings of the President's meetings with John Dean on September 15, 1972 and March 21, 1973.

## Labor

July 20—In San Joaquin county in California, arrests of picketing farm workers (members of Cesar Chavez' United Farm Workers union) continue. The strikers are protesting court injunctions that restrict the use of picket lines. Chavez called the strikes because grape growers have not renewed their U.F.W. contracts but have signed new contracts with the International Brotherhood of Teamsters.

## Military

(See also *Foreign Policy*)

July 2—Because of insufficient evidence, the Army and the Navy dismiss allegations of collaboration with the enemy made by Air Force Colonel Theodore W. Guy against 7 former prisoners of war in Vietnam.

July 17—Defense Department sources disclose that U.S. B-52 planes staged over 3,500 secret bombing raids over Cambodia in a 14-month period that began March, 1969.

## Science and Space

July 28—3 astronauts rendezvous and link up their Apollo spacecraft with the orbiting Skylab station to begin the 59-day Skylab 2 mission.

## URUGUAY

July 4—An official decree threatens striking workers with loss of jobs unless they return to work, but it fails to end the 8-day-old general strike.

Police clash with 1,000 women demonstrators protesting against the new right-wing, military-backed government.

July 10—The government cracks down on the opposition called the Resistance Front, and arrests its head, Liber Seregni, and others, who participated in a demonstration yesterday protesting the closing of Congress.

July 12—The 15-day general strike ends.

## VIETNAM, DEMOCRATIC REPUBLIC OF (North)

(See *Intl. War In Indochina*)

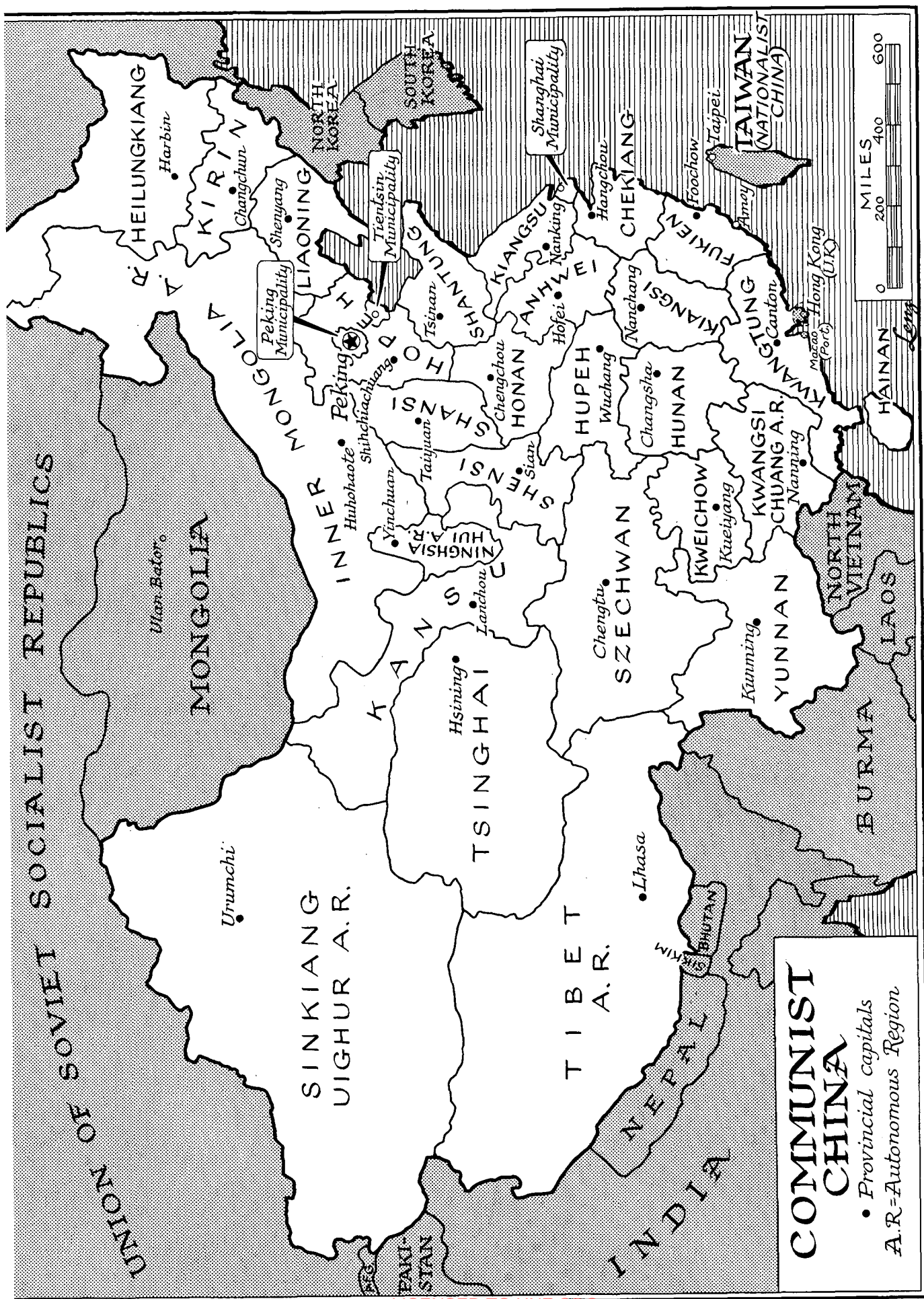
## VIETNAM, REPUBLIC OF (South)

(See also *Intl. War in Indochina*)

July 2—*The New York Times* reports that the government is moving tens of thousands of refugees into vast stretches of land to extend its territorial control.

July 10—President Nguyen Van Thieu announces a reorganization of South Vietnam's civil service to increase its efficiency.

July 12—President Thieu makes minor Cabinet changes reportedly to tighten his control over the government.





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